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ABSTRACT

This report provides an analysis of faculty salaries in the University of California and California State University systems. The report contains the parity percentages obtained through analysis of the data submitted to the University and State University by their respective groups of comparison institutions; estimated faculty salary parity amounts for the University and State University are 4.79 and 4.88 percent, respectively. The report for this year analyzes salary increases granted for the past 12 years in California compared to increases in the national Consumer Price Index. It also presents a brief discussion of faculty compensation beyond the standard scale at the University of California and the implications of these high salaries for the University's ability to attract the finest scholars in the nation. Appendices include the Senate Concurrent Resolution No. 51, 1965 General Session; the methods for calculating salary and fringe benefit comparisons; House Resolution No. 250, 1964 First Extraordinary Session, Relative to the Economic Welfare of the Faculties of the California Public Institutions of Higher Education; and a report from the Office of the Legislature Analyst, state of California, on recommended method for reporting to the legislature on faculty salaries and other benefits. Contains 6 references. (GLR)

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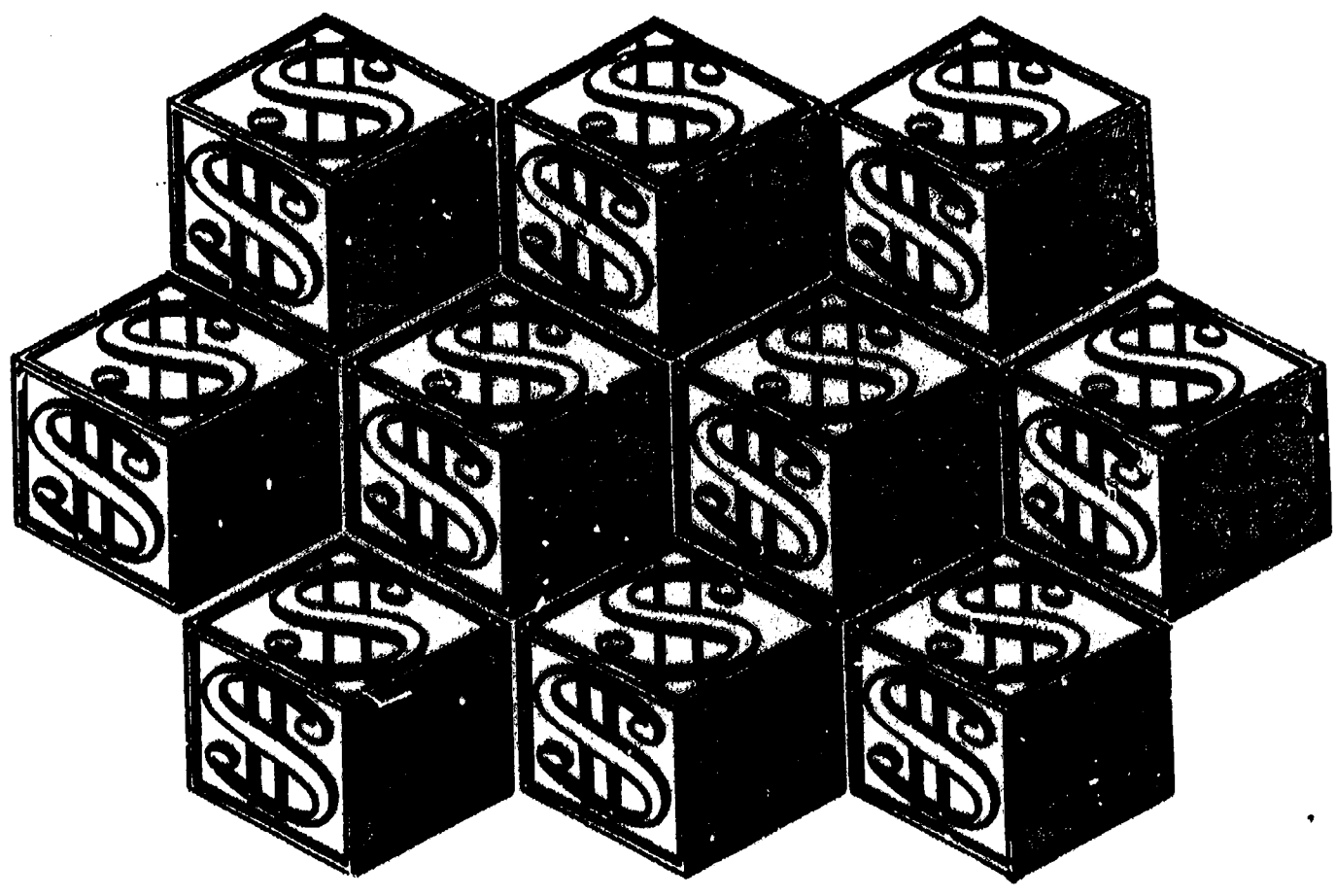
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# FACULTY SALARIES IN CALIFORNIA'S PUBLIC UNIVERSITIES, 1990-91



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CALIFORNIA POSTSECONDARY  
EDUCATION COMMISSION



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## Executive Summary

Annually, in accordance with Senate Concurrent Resolution No. 51 of the 1985 General Legislative Session, the Commission submits to the Governor and the Legislature an analysis of faculty salaries in the University of California and the California State University for the forthcoming fiscal year.

The Commission's report for the 1990-91 fiscal year contains an analysis of the data submitted to the University and State University by their respective groups of comparison institutions and shows how those data are formulated into the parity percentages included in the report.

This year, the estimated faculty salary parity amounts for the University and State University are 4.79 and 4.88 percent, respectively.

This year's report includes an analysis on pages 4 and 5 of salary increases granted for the past 12 years in California compared to increases in the national Consumer Price Index. It also presents a brief discussion on pages 9-13 of faculty compensation beyond the standard scale at the University of California and the implications of these high salaries for the University's ability to attract the finest scholars in the nation.

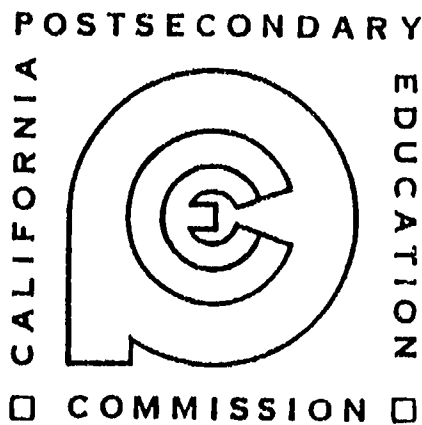
The Commission adopted this report at its meeting on March 5, 1990, on recommendation of its Policy Development Committee. Additional copies of the report may be obtained from the Publications Office of the Commission at (916) 324-4991. Questions about the substance of the report may be directed to Murray J. Haberman of the Commission staff at (916) 322-8001.

Later this summer, the Commission will publish a related report that will describe faculty members' salaries at California's Community Colleges and salaries of administrators at the University of California and the California State University.

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# FACULTY SALARIES IN CALIFORNIA'S PUBLIC UNIVERSITIES, 1990-91

*A Report to the Legislature  
and Governor in Response to Senate  
Concurrent Resolution No. 51 (1965)*



CALIFORNIA POSTSECONDARY EDUCATION COMMISSION  
Third Floor • 1020 Twelfth Street • Sacramento, California 95814-3985



**COMMISSION REPORT 90-10  
PUBLISHED MARCH 1990**

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THIS 1990-91 faculty salary report contains detailed data on average salaries in the comparison institutions of the University of California and the California State University. Because of computerized spreadsheets, the Commission has been able to analyze the raw data submitted by comparison institutions in time for inclusion in this report, and to provide a detailed written analysis. That analysis revealed no errors in the segmental computations.

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#### **Competitive position of the University and State University**

Comparisons of the University of California and the California State University with their respective comparison groups revealed that the University has maintained its competitive position over the past five years when compared to its list of eight comparison institutions, while the State University improved its position by moving from about thirteenth at its top three ranks to between fourth and eighth in relation to its 20 comparison institutions.

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#### **Parity for the University of California**

The University of California obtained actual 1989-90 data from all of its eight comparison institutions. For 1990-91, it is estimated that University of California faculty members will require an average salary increase of 4.79 percent to bring them to the mean of their comparison group. In November, the University Regents requested a 4.5 percent increase, but that amount did not include final data for one of the University's comparison institutions.

#### **Parity for the California State University**

The California State University collected actual data from 17 of its 20 comparison institutions, with the remaining three being unable to offer current data for various reasons. As specified in the salary methodology agreed to by State officials, estimates were made for those three institutions unable to supply current information.

A salary increase of 4.88 percent is estimated to be necessary to keep State University faculty at the mean of its 20 comparison institutions. The State University's Trustees, following a practice instituted since the implementation of collective bargaining, and having approved a three-year contract with faculty, have in essence agreed to the 4.88 percent figure, to be effective January 1, 1991, provided it is funded in the Governor's Budget.

Beginning with the 1991 budget, State University comparison institution law school faculty will be excluded from the calculation. This year's figure of 4.88 percent includes the 0.2 percent adjustment prescribed for in the current methodology for these faculty.

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#### **University salaries above standard**

This report includes a brief discussion on pages 9-11 regarding the University's nine-month faculty who earn in excess of \$100,000 and raises some implications of these salaries for the University's attempt to attract the finest research scholars.



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## *Origins and Methods of Analysis*

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**ANNUALLY**, in accordance with Senate Concurrent Resolution No. 51 of the 1965 General Legislative Session (reproduced in Appendix A on pages 21-22), the University of California and the California State University submit to the Commission data on faculty salaries for their respective institutions and for a group of comparison colleges and universities. On the basis of these data, Commission staff develops estimates of the percentage changes in salaries required to attain parity with the comparison groups in the forthcoming fiscal year. The methodology requires that parity figures for both segments be submitted to the Department of Finance and the Office of the Legislative Analyst by December 5 of each year.

The methodology by which the segments collect these data and the Commission staff analyzes them (Appendix B, pp. 23-30) has been designed by the Commission in consultation with the University of California and California State University, the Department of Finance, and the Office of the Legislative Analyst, and has been published in the Commission's *Methods for Calculating Salary and Fringe Benefit Cost Comparisons* (March 1985). It has since been revised three times to reflect changes in the methodology used for calculating the parity figure and to reflect changes in the University of California's group of comparison institutions (June 1987 and January 1988). Another change in State University comparison institutions is scheduled for 1991.

Additional reports, requested in previous years by the Office of the Legislative Analyst, and subsequently incorporated into Supplemental Language to the Budget Act, discuss faculty salaries in the California Community Colleges, administrators' salaries in the four-year segments, and medical faculty compensation (salaries plus clinical fees) in the University of California.

The first two of these are annual reports; the third is presented only in odd-numbered years. In the current cycle, two of these reports -- Community College faculty salaries and administrators' sala-

ries at the University and State University will be discussed by the Commission at its meeting on June 11, 1989.

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### **History of the faculty salary reports**

The impetus for the faculty salary report came from the Master Plan Survey Team in 1960, which recommended that:

3. Greatly increased salaries and expanded fringe benefits, such as health and group life insurance, leaves, and travel funds to attend professional meetings, housing, parking and moving expenses, be provided for faculty members in order to make college and university teaching attractive as compared with business and industry.
8. Because of the continual change in faculty demand and supply, the coordinating agency annually collect pertinent data from all segments of higher education in the state and thereby make possible the testing of the assumptions underlying this report (Master Plan Survey Team, 1960, p. 12).

For four years thereafter, the Legislature continually sought information regarding faculty compensation, information which came primarily from the Legislative Analyst in the Analysis of the Budget Bill and from the Coordinating Council for Higher Education in its annual reports to the Governor and the Legislature on the level of support for public higher education. While undoubtedly helpful to the process of determining faculty compensation levels, these reports were considered to be insufficient, especially by the Assembly, which consequently requested the Legislative Analyst to prepare a specific report on the subject (House Resolution No. 250, 1964 First Extraordinary Session; reproduced in Appendix C, pp. 31-32).

Early in the 1965 General Session, the Legislative Analyst presented his report (Appendix D, pp. 33-

42) and recommended that the process of developing data for use by the Legislature and the Governor in determining faculty compensation be formalized. This recommendation was embodied in Senate Concurrent Resolution No. 51 (1965), which specifically directed the Coordinating Council, the predecessor to the Postsecondary Education Commission, to prepare annual reports in cooperation with the University of California and the California State Colleges.

Since that time, the Coordinating Council, and more recently the Commission, have submitted reports to the Governor and the Legislature. Prior to the 1973-74 budgetary cycle, only one report was submitted, usually in March or April. Between 1974-75 and 1985-86, the Commission compiled two reports -- a preliminary report transmitted in December, and a final report in April or May. The first was intended principally to assist the Department of Finance in developing cost-of-living adjustments presented in the Governor's Budget, while the second was used by the Legislative Analyst and the legislative fiscal committees during budget hearings. Each of them compared faculty salaries and the cost of fringe benefits in California's public four-year segments with those of other institutions (both within and outside of California) for the purpose of maintaining a competitive position.

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### Changes in content and methodology

Over a period of several years, the Commission's salary reports became more comprehensive. Originally they provided only comparison institution data, and occasionally they were expanded to include summaries of economic conditions; comparisons with other professional workers; discussions of supplemental income and business and industrial competition for talent; analyses of collective bargaining; and Community College faculty salaries, medical faculty salaries, and administrators' salaries. The last three of these additions to the annual reports were all requested by the Office of the Legislative Analyst: Community College and medical faculty salaries in 1979, and administrators' salaries at the University of California and California State University in 1982.

In 1984, the Commission convened an advisory committee consisting of representatives from the seg-

ments, the Department of Finance, the Office of the Legislative Analyst, and other interested parties to review the methodology under which the salary reports are prepared each year. That committee's deliberations led to a number of substantive revisions which were approved by the Commission in March 1985 in the previously mentioned Methods for Calculating Salary and Fringe Benefit Cost Comparisons. Among the more significant of the changes were those to create a new list of comparison institutions for the State University, to produce only a single report rather than a preliminary and a final report, and to provide University of California medical faculty salary information biennially rather than annually.

In past years, particularly in the late 1970s and early 1980s, the Commission's faculty salary reports included comprehensive surveys of economic conditions and salaries paid in other occupational fields. There was a need for such data at that time since evidence had shown that faculty salaries at most institutions of higher education across the country were not keeping pace with changes in the cost of living or with salary increases granted to other professional workers. Since faculty salaries in California are based primarily on interinstitutional comparisons, those at the University of California and the California State University were undergoing an economic erosion comparable to that experienced nationally. That erosion made it increasingly difficult to recruit the most talented teachers and researchers, especially in competition with the substantially higher salaries generally available in business and industry.

Consequently, in order to provide the Governor and the Legislature with as much information as possible on a complex situation, the Commission expanded considerably the scope of those salary analyses.

In the past seven years -- 1984-85 to 1990-91 -- the salary deficiencies experienced by faculty in the two public four-year segments appear to have been corrected, as have those of most other institutions of higher education across the country. Display 1 on page 5 shows the parity figures the Commission derived for the University and State University throughout the 1980s, and compares those figures

**DISPLAY 1 Comparison of Faculty Salary Parity Adjustment Calculations by the Commission with Actual Percentage Increases Provided in State Budgets During the Last Twelve Years**

<u>Year</u>	<u>University of California Commission</u>	<u>Budget</u>	<u>The California State University Commission</u>	<u>Budget</u>	<u>United States Consumer Price Index</u>	<u>California Consumer Price Index</u>
1979-80	12.6%	14.5%	10.1%	14.5%	13.3%	15.0
1980-81	5.0	9.8	0.8	9.8	11.6	11.6
1981-82	5.8	6.0	0.5	6.0	8.7	10.7
1982-83	9.8	0.0	2.3	0.0	4.3	2.2
1983-84	18.5	7.0	9.2	6.0	3.7	3.7
1984-85	10.6	9.0	7.6	10.0	3.9	4.9
1985-86	6.5	9.5	N.A.	10.5	2.9	4.0
1986-87	1.4	5.0	6.9	6.8	2.2	3.2
1987-88	2.0	5.6	6.9	6.9	4.1	4.4
1988-89	3.0	3.0	4.7	4.7	4.6	4.9
1989-90	4.7	4.7	4.8	4.8	4.2 (estimated)	5.1 (estimated)
1990-91	4.8	4.8	4.9	4.9	4.3 (projected)	4.1 (projected)

N.A.: No parity adjustment was computed for the State University for the 1985-86 year.

Note: Some of the percentage increases provided in the Budget were for a period of time less than a full year. There have been changes in both the University and State University comparison groups over this time and there was a change in the State University's computation methodology in 1985.

Source: Consumer Price Index: Commission on State Finance. Remainder: California Postsecondary Education Commission.

with the amounts actually approved by the Governor and Legislature, along with percentage increases in both the national and California consumer price indices. The display shows that in 1982-83 and 1983-84, both the University and State University significantly lagged their comparison institutions. Although other institutions throughout the country experienced similar salary erosion, University and State University faculty salaries declined even further in relation to their comparison groups.

In the past seven years, with the impressive recovery of the national economy, and the even more impressive recovery of California's economy, funds have become available to restore faculty salaries to levels where the segments are now better able to

compete with private business and industry. Clearly, the State of California has shown a commitment to maintain the excellence of both the University of California and the California State University by regularly improving the resources available to these segments. As a result, there is less need for the extensive economic conditions and occupational salary data that the Commission published in prior years.

Five years ago, due primarily to issues of confidentiality and technical difficulties in collecting data in a timely fashion, the advisory committee met again to consider changes in the methodology. The committee suggested several revisions to the methodology at that meeting to address those issues. The Com-

mission acted on those recommendations when it adopted its report, *Faculty Salary Revisions: A Revision of the Commission's 1985 Methodology for Preparing Its Annual Reports on Faculty and Administrative Salaries and Fringe Benefits*, at its June 1987 meeting.

At that time, the University of California agreed to continue to use the eight comparison institutions it had used for the past 16 years. After further analyzing salary trends at these eight institutions later in the summer, however, the University determined that the economic situation, especially in the midwest, had adversely affected at least one of its comparison institutions -- the University of Wisconsin, Madison -- causing only marginal increases in its faculty salaries in contrast to increases elsewhere. Furthermore, the University sought to build into its list of comparison institutions a competitive edge -- a percentage amount added to the computed parity figure. Thus it asked the Commission that "in the best interest of the University and the State," that other institutions be considered for its comparison group.

The University formally requested that the Commission approve a change in the list of institutions that serve the University as a comparison group for faculty salaries, with the substitution of the University of Virginia for the University of Wisconsin, and the Massachusetts Institute of Technology for Cornell University. As part of this proposal, the University agreed to abandon requests for the 1988-89 and subsequent fiscal years for "competitive edge" funds, noting that the traditional methodology of projected lag to parity would be sufficient given the new comparison group.

In response to this proposed change in the methodology, the Advisory Committee on the Faculty Salary Methodology was again convened to discuss appropriate replacement institutions. Acknowledging that the State of Wisconsin had experienced economic problems for many years, which had resulted in serious erosion of its institutions' faculty salaries, the advisory committee recommended replacing the University of Wisconsin with the University of Virginia. Furthermore, the committee recommended that the Massachusetts Institute of Technology would be a more appropriate replacement for Cornell to alleviate the need for "competitive edge" funds. The Commission approved this change in the

University's comparison institutions at its February 1988 meeting.

Last year, the Commission again considered changes in its methodology when it responded to Supplemental Budget Language to the 1988-89 Budget Act that directed it to convene its salary methodology advisory committee in order to evaluate whether the estimated average salaries at the State University's comparison institutions should be adjusted for the full effect, rather than the existing partial effect, of law school faculty in its comparison institution group. The Commission was also directed to determine the appropriateness of retaining any effect of law school faculty employed by comparison institutions when computing a final State University faculty salary parity figure, and to provide a justification for it.

At its June 1989 meeting, the Commission adopted the recommendation of its advisory committee that for purposes of reporting comparable "academic" salary information for both the State University and its comparison institutions in its annual report of faculty salaries, that all law faculty should be removed from the methodology used for computing the State University's parity figure, and further noted that that change in the methodology should take effect during the 1991-92 budget cycle -- the year in which the current collective bargaining agreement between the faculty and the administration will expire.

However, in removing comparison institution law faculty, it was clear that the State University's competitiveness in the marketplace would be undermined in that its instructional budget would be reduced by approximately \$7.5 million because of a reduction in the calculation of its parity figure.

Recognizing the dangers implicit in this reduction -- especially its impact on the recruitment and retention of faculty -- the Commission considered a modest change in the State University's group of comparison institutions in order to recover about one-half of the estimated revenue loss attributed to the removal of comparison institution law faculty. At its September 1989 meeting, the Commission adopted a refinement that called for deleting three existing comparison institutions -- Virginia Polytechnic Institute, University of Bridgeport, and Mankato State University and replacing them in 1991 with three new institutions -- University of Connecticut,

George Mason University and Illinois State University.

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### **Contents of this year's report**

For the 1990-91 cycle, this report contains data on faculty salaries at the University of California and the California State University. This summer, the Commission will review a supplemental report on Community College faculty salaries and public four-year segment administrators' salaries.

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### **Other salary information**

New to this year's report is a special section showing the number of University of California faculty who earn in excess of \$100,000, with accompanying information on age, sex, ethnicity, and discipline. Discussed in this section are some implications of the University hiring these high paid faculty, and how State resources may be insufficient for this segment in order to attract the finest research scholars while maintaining its pool of instructional faculty.

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# 3 *Projected Salaries Required for Parity at California's Public Universities*

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THIS year's salary analysis continues to present a comprehensive examination of faculty salary comparison institution data. Using computerized spreadsheets, Commission staff has reduced the time involved to complete a comprehensive analysis of the raw data that have been provided by the University's eight and State University's 20 comparison institutions. Additional time has allowed for the more detailed segmental analysis that follows.

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## University of California

On November 16, 1988, the Regents of the University of California met and requested the Governor and the Legislature to approve funding sufficient to grant University faculty an average salary increase of 4.5 percent. This amount was to maintain parity with the University's eight comparison institutions. This percentage increase was based on final data for seven of eight comparison institutions, and reflected a projected increase for the University of Michigan who had not as yet provided final data. However, a subsequent report, including final data for Michigan, presented to Commission staff on December 5, 1988, indicated that a 4.79 percent increase was needed to maintain parity. It is this latter figure that has been reported to the Governor and the Legislature.

### *Projected salaries*

Display 2 on the next page shows the average salaries by rank at the comparison institutions in 1984-85 and 1989-90, as well as the University's position in each of these two years. It indicates that, over the past five years, the University has improved its position from sixth to fifth at the rank of professor, while slipping in rank from third to fifth at the assistant professor level. Although the compensation provided to these assistants still exceeds the average compensation of its comparison group,

and since many of the University's new hires will be hired at this level, it is important that the segment maintain, if not improve its competitive position for the hiring of new young faculty.

It also should be noted that because the University's faculty received their final salary adjustment on January 1, 1990, the computed average annual by rank salaries shown in Display 3 for academic year 1989-90 are greater than the salaries actually earned by the faculty for this entire academic year. In reality, the salaries for academic year 1989-90 are: Professors, \$70,708; Associate Professors, \$45,820; and Assistant Professors, \$40,241.

### *Conversion factors*

Display 3 on page 11 shows the parity calculations for the 1990-91 fiscal year, and it indicates that the University will require an increase of 4.79 percent to maintain parity at the mean of its comparison group. An important element in deriving institutional average salaries is the factor used to convert eleven-month salaries to nine-month salaries. In most cases, this conversion is derived by dividing nine by eleven to produce a factor of 0.8182. In the University's case, however, a factor of 0.86 has been used for many years and is applied to the entire comparison group. Historically, the University has used a conversion factor of 0.86 to adjust eleven-month salaries to nine-month salaries. To assure consistency, the 0.86 factor is applied to each of the University's comparison institutions.

Display 4 on page 12 shows the University's 1989-90 salary schedule, with the actual conversions.

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### University faculty paid above scale

Display 5 on page 13 shows data for University of California nine-month professors who are paid in excess of \$100,000, excluding medical and law pro-

**DISPLAY 2 University of California and Comparison Institution Average Salaries, 1984-85 and 1989-90**

Comparison Institution 1984-85 Data	Professor	Associate Professor	Assistant Professor
Institution H	\$61,475 (1)	\$34,654 (6)	\$29,215 (5)
Institution A	57,650 (2)	40,182 (1)	31,810 (1)
Institution D	55,846 (3)	33,298 (8)	26,807 (8)
Institution F	55,300 (4)	39,300 (2)	31,800 (2)
Institution C	52,889 (5)	37,510 (3)	29,215 (5)
<b>University of California</b>	<b>52,542 (6)</b>	<b>35,113 (5)</b>	<b>30,628 (3)</b>
Institution B	49,000 (7)	33,600 (7)	26,000 (9)
Institution G	46,826 (8)	32,640 (9)	28,716 (7)
Institution E	46,565 (9)	35,201 (4)	29,593 (4)
<b>Comparison Institution Average</b>	<b>\$53,194</b>	<b>\$35,798</b>	<b>\$29,145</b>

Comparison Institution 1989-90 Data	Professor	Associate Professor	Assistant Professor
Institution H	\$80,842(1)	\$46,864 (7)	\$42,227 (4)
Institution A	78,421(2)	55,049 (1)	43,473 (2)
Institution F	76,099(3)	53,687 (2)	43,893 (1)
Institution D	74,681(4)	46,145 (8)	36,809 (9)
<b>University of California</b>	<b>73,132(5)</b>	<b>47,250 (5)</b>	<b>41,341 (5)</b>
Institution B	68,350(6)	47,076 (6)	37,750 (8)
Institution C	67,351(7)	48,654 (4)	38,003 (7)
Institution E	65,565(8)	49,790 (3)	42,351 (3)
Institution G	61,060(9)	43,990 (9)	38,708 (6)
<b>Comparison Institution Average</b>	<b>\$71,546</b>	<b>\$48,907</b>	<b>\$40,402</b>

Note: The data in the 1989-90 table for the University of California reflect salary increases awarded on January 1, 1990. Actual salaries earned by University faculty for the 1989-90 fiscal year are thus slightly lower than listed here, and these differences could affect the University's ranking. The rankings for several comparison institutions may also be affected by salary increases given at times other than the first day of the fiscal year.

Source: Office of the President, University of California.

**DISPLAY 3 University of California Comparison Group Average Salaries, 1984-85 and 1989-90, Compound Rates of Increase, Projected Comparison Group Average Salaries, 1990-91, Projected Parity Comparisons, and Projected 1990-91 Staffing Patterns**

Academic Rank	Comparison Group Average Salaries 1984-85	Comparison Group Average Salaries 1989-90	Compound Rate of Increase	Comparison Group Projected Salaries 1990-91
Professor	\$53,194	\$71,546	6.107%	\$75,916
Associate Professor	35,798	48,907	6.439	52,056
Assistant Professor	29,145	40,402	6.750	43,129

Academic Rank	University of California Actual Average Salaries 1989-90	Comparison Group Average Salaries		Percentage Increase Required in University of California Average Salaries to Equal the Comparison Institution Average	
		Actual 1989-90	Projected 1990-91	Actual 1989-90	Projected 1990-91
Professor	\$73,132	\$71,546	\$75,916	-2.17%	3.81%
Associate Professor	47,250	48,907	52,056	3.51	10.17
Assistant Professor	41,341	40,402	43,129	-2.27	4.32
All Ranks Averages (UC Staffing)	62,546	61,695	65,540	-1.36	4.79

**Institutional Budget Year Staffing Pattern (Full Time Equivalent)**

	Professor	Associate Professor	Assistant Professor	Total
University of California	3,554	1,076	998	5,628
Comparison Institutions	4,336.42	1,945.86	1,885.85	8,168.13

Source: University of California, Office of the President, reproduced in Appendix E.

fessors. These faculty members are often Nobel Laureates, Field Medal Scholars, Pulitzer Prize winners, National Academy of Science scholars, or other premier researchers and teachers in their field. Currently, 146 faculty are in this category. Of these, 35 are in the humanities or social sciences, 57 are in the physical or life sciences, 43 are in engineering, and eleven are in the discipline of management. In addition, the eleven-month salaries of 20 professors exceed \$100,000, but their nine-month equivalent is under that amount.

The highest median salary -- \$106,300 -- is paid in engineering, while the highest overall salary -- \$122,100 -- is paid in the physical sciences. Only two women and three non-white minority faculty earn in excess of \$100,000.

Perhaps most interesting is the average age of these faculty, which ranges from 54 in management to 62 in the social sciences, suggesting that these scholars have been employed by the University or other academic institutions for many years. Many of these scholars will be retiring during the next decade.



**DISPLAY 4 University of California 1989-90 Salary Schedule for Nine- and Eleven-Month Faculty, with Percentage Differences (Effective January 1, 1990\*)**

Nine-Month Faculty by Rank	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
Professor	\$48,500	\$53,200	\$58,300	\$63,800	\$69,400	\$75,200	\$81,300	\$87,700
Associate Professor	\$40,400	\$42,800	\$45,200	\$48,400	\$53,100	N/A	N/A	N/A
Assistant Professor	\$33,900	\$35,300	\$36,600	\$38,200	\$40,300	\$42,700	N/A	N/A

Eleven-Month Faculty by Rank	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
Professor	\$56,300	\$61,700	\$67,600	\$74,000	\$80,500	\$87,200	\$94,300	\$101,900
Associate Professor	\$46,900	\$49,600	\$52,300	\$56,200	\$61,600	N/A	N/A	N/A
Assistant Professor	\$39,300	\$40,900	\$42,400	\$44,300	\$46,800	\$49,500	N/A	N/A

Percentage Difference by Rank	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Overall Average
Professor	86.15%	86.22%	86.24%	86.22%	86.21%	86.24%	86.21%	86.06%	
Associate Professor	86.14	86.29	86.42	86.12	86.20	N/A	N/A	N/A	
Assistant Professor	86.26	86.31	86.32	86.23	86.11	86.26	N/A	N/A	
Average	86.18%	86.27%	86.33%	86.19%	86.17%	86.25%	86.21%	86.06%	86.21%

\*Add 10 percent to each step for business and engineering faculty.

Source: University of California, Office of the President.

Because of these retirements and because the University continues to seek the finest researchers from throughout the country, the University has had to expend significant resources in recent years in order to attract these scholars to its campuses. Clearly, not all new hires are or should be made at the highest levels. But as the premier research system in the world, the University has had to hire many high-level faculty from both the private sector or other prestigious institutions to replenish similar faculty who retired or moved to other institutions,

at salaries well above the average paid to full professors in general.

When hired, these faculty are compensated at levels far above the regular salary compensation provided by the State for "vacant" faculty positions. (Currently, the State provides \$36,600 -- Assistant Professor, Step 3 -- for vacant positions.) Although most of these scholars are not paid in excess of \$100,000, many are paid at salaries equal to if not greater than those they earned at either the campus or private research facility from which they came --

**DISPLAY 5 University of California Nine-Month Faculty Salaries Above \$100,000, Effective January 1, 1990**

<u>Discipline</u>	<u>Number</u>	<u>SALARIES</u>		<u>CHARACTERISTICS</u>		
		<u>High</u>	<u>Median</u>	<u>Women</u>	<u>Non-White</u>	<u>Average Age</u>
Humanities	17	115,700	103,800	1	1	59
Life Science	10	108,100	104,500	0	0	61
Physical Science	47	122,100	104,300	1	1	58
Social Science	18	113,200	103,800	0	1	62
Management <sup>1</sup>	11	120,600	105,200	0	0	54
Engineering <sup>1</sup>	43	116,700	106,300	0	0	59

**Note:** Eleven-month salaries have been converted to nine-month equivalent salaries as is the practice in the University's annual report. In addition to these faculty, there are 20 more whose eleven-month salaries exceed \$100,000, but for whom the nine-month equivalent is under \$100,000.

1. Special scale.

Source: University of California, Office of the President.

an amount far in excess of the amount provided by the State.

The implications for the University's policy of hiring the best and brightest are apparent. The University must find from within existing resources the difference between the \$36,600 provided by the State, and the compensation actually paid to the faculty member. In doing so, the University often uses resources allocated to other existing faculty vacancies in order to fund a single high paid faculty position. When this occurs, those "other vacancies" remain unfilled, and instructional activities in the department from which those resources are taken may be undermined.

Throughout the next decade, many of the University's high paid scholars will be retiring and enrollment growth will be significant. During this time, the University anticipates a need for about 8,000 new faculty. The situation of reallocating resources among departments will become severe if the University is to continue to attract premier scholars and the State funds vacancies at only entry level salaries. As part of its long-range planning for faculty, the Commission will explore the need of adequate faculty salary resources to maintain the continuing competitiveness of both the University's instructional and research faculty.

## The California State University

### *Shifts in rank*

Over the past six years, and principally because of salary increases granted in the past three years, the State University has improved its competitive position nationally. Displays 6 and 7 on pages 15 and 16 show average salaries at its comparison institutions in 1984-85 and 1989-90, as well as the State University faculty's relative position on each list. These displays indicate that while the State University's ladder faculty ranked eighteenth at the professor level, twentieth at the associate level, nineteenth at the assistant level, and eleventh at the instructor level in 1984-85, it improved to between fourth and eighth by 1989-90. Because of the large number of State University faculty at the full-professor level, the all ranks weighted average actually placed the faculty in fourth position in both 1984-85 and 1989-90. If something near this ranking continues, it will place the State University in a very competitive position in the years ahead, when many new faculty are expected to be hired.

The relatively strong upward movement in the State University's ranking among its comparison institutions was heavily influenced by the fact its group of comparison institutions was changed in 1985. The institutions in this revised group have a higher salary base, and may have experienced greater salary increases than those institutions on the former list.

In its 1986-87 report, the Commission noted that the State University encountered considerable difficulty in its attempts to obtain reliable data from its new list of comparison institutions. Several institutions declined to participate with the annual survey, while others were not prepared to supply the data in a timely fashion. After the advisory committee was reconvened in 1986 to discuss the problem, it unanimously approved replacements for those institutions that would not provide data.

Following that meeting, State University officials worked to develop relationships with personnel at the comparison institutions, but it soon became evident that complete current-year data could not be obtained from all of them in November of each year, nor from any other list of institutions that could conceivably be established, because many universi-

ties do not make computer runs of their faculty payrolls until after the November deadline required by the current methodology. Because the Department of Finance requests this information by December 5 of each year for consideration in the Governor's Budget, estimates continue to be necessary for those institutions not supplying current-year information.

### *Estimating for non-reporting institutions*

In its attempts to make the estimates as accurate as possible, the Chancellor's Office of the State University analyzed the differences between the cost-of-living adjustments projected to be given to faculty, and those actually distributed to them. This analysis showed that the actual changes in any institution's average salaries increased by only about 95 percent of the projected percentage increase -- a difference caused by changes in staffing patterns at the institutions involved. Accordingly, the State University suggested that, when current-year data cannot be obtained, but the projected cost-of-living adjustment is known, that that percentage be multiplied by 0.95.

### *Law faculty adjustment*

Another issue unresolved in the annual salary report concerned the adjustment for law school faculty. As discussed in the introduction, salaries paid to law faculty at the comparison institutions are included in the raw data supplied to the American Association of University Professors and published in its "Annual Report on the Economic Status of the Profession." That report, which includes data also collected by the Center for Education Statistics of the U.S. Department of Education, constitutes the primary source of faculty salary data in the United States. At present, eight of the State University's 20 comparison institutions operate law schools, and since law faculty are paid more than regular faculty, a deduction 0.2 percent is made in the State University's parity figure to reflect the fact that it operates no law schools.

The 0.2 percent adjustment is continued this year as is shown in Display 8 on page 17. However, the issue of excluding law faculty in the parity computation was resolved as discussed on page 3 in the *Origins and Methods of Analysis* section of this report.

**DISPLAY 6 California State University Comparison Institution Salary Data, by Rank, 1984-85**

Institution	Professor		Associate Professor		Assistant Professor		Instructor		Total Faculty	
	No.	Average Salary	No.	Average Salary	No.	Average Salary	No.	Average Salary	No.	Weighted Average Salary
Institution J	123	\$51,900 (1)	131	\$37,500 (2)	118	\$28,900 (1)	17	\$22,300 (10)	389	\$38,780 (2)
Institution N	240	51,433 (2)	229	37,914 (1)	138	28,618 (4)	0	0	607	41,146 (1)
Institution Q	374	50,779 (3)	398	35,312 (3)	312	29,660 (2)	41	26,333 (1)	1,125	38,559 (3)
Institution K	324	45,188 (4)	274	33,318 (6)	241	28,815 (3)	17	23,721 (5)	856	36,352 (6)
Institution A	483	45,176 (5)	452	34,191 (4)	287	28,004 (5)	39	21,784 (4)	1,261	36,607 (5)
Institution R	429	45,000 (6)	437	32,638 (10)	376	27,176 (7)	127	20,030 (12)	1,369	33,842 (2)
Institution P	86	44,984 (7)	113	32,616 (11)	82	25,883 (13)	4	23,125 (9)	285	34,279 (11)
Institution D	156	44,354 (8)	240	33,275 (7)	100	27,166 (8)	19	23,428 (7)	515	35,081 (7)
Institution I	58	44,200 (9)	115	32,100 (14)	79	26,500 (10)	42	19,200 (17)	294	32,568 (15)
Institution F	266	43,654 (10)	250	32,473 (12)	172	26,467 (11)	40	19,344 (16)	728	34,413 (10)
Institution C	83	43,046 (11)	51	33,337 (5)	64	25,663 (15)	7	23,700 (6)	205	34,543 (9)
Institution B	96	42,648 (12)	97	33,140 (9)	46	27,699 (6)	20	24,270 (2)	259	35,013 (8)
Institution G	143	42,100 (13)	228	33,200 (8)	182	26,800 (9)	20	23,800 (3)	573	33,060 (13)
<b>The California State University</b>	<b>6,736</b>	<b>41,823 (14)</b>	<b>2,585</b>	<b>32,134 (13)</b>	<b>1,446</b>	<b>26,148 (12)</b>	<b>175</b>	<b>23,171 (8)</b>	<b>10,942</b>	<b>37,164 (4)</b>
Institution O	157	40,775 (15)	234	31,075 (16)	169	25,266 (16)	4	19,725 (15)	564	31,954 (16)
Institution S	313	40,600 (16)	307	29,964 (17)	176	24,714 (18)	17	18,996 (18)	813	32,716 (14)
Institution H	192	39,873 (17)	121	31,241 (15)	135	25,075 (17)	38	17,942 (19)	486	31,899 (17)
Institution T	250	39,289 (18)	277	28,688 (20)	193	24,632 (19)	15	21,999 (11)	735	31,092 (19)
Institution L	44	37,654 (19)	23	28,553 (21)	25	23,242 (19)	0	0	92	31,462 (18)
Institution M	123	36,342 (20)	108	29,246 (18)	71	23,881 (20)	8	19,878 (14)	310	30,591 (20)
Institution E	82	36,171 (21)	98	29,286 (19)	88	25,726 (14)	21	19,954 (13)	289	29,477 (21)
Comparison Institution Totals	4,022	\$44,216	4,183	\$32,834	3,054	\$26,978	496	\$22,000	11,755	\$34,750

Source: The California State University, Office of the Chancellor.

**Other adjustments**

Other deductions of 0.2 percent for turnover and promotions, and 0.59 percent to reflect an additional appropriation for merit salary adjustments, are also included. The first is unchanged from last year's cycle, while the second is reduced to 0.59 percent from last year's estimate of 0.64 percent. With

all these adjustments, the projected 1990-91 State University parity calculation equals 4.88 percent as shown in Display 8 on page 17.

Complete current-year data for this year's report were obtained for 17 institutions, with estimated 1989-90 cost-of-living adjustments supplied for the remaining three. Furthermore, it should be noted

**DISPLAY 7 California State University Comparison Institution Salary Data, by Rank, 1989-90**

Institution	Professor		Associate Professor		Assistant Professor		Instructor		Total Faculty	
	No.	Average Salary	No.	Average Salary	No.	Average Salary	No.	Average Salary	No.	Weighted Average Salary
Institution J	117	\$69,819 (1)	152	\$51,929 (1)	92	\$42,941 (1)	20	\$29,822 (6)	381	\$54,092 (1)
Institution Q	439	69,299 (2)	400	48,813 (3)	349	40,809 (2)	27	43,710 (1)	1,215	53,802 (2)
Institution N	245	67,087 (3)	245	49,255 (2)	128	36,927 (9)	0	0	618	53,771 (3)
Institution R	562	63,158 (4)	544	44,988 (5)	356	37,344 (5)	68	26,185 (13)	1,530	49,188 (6)
Institution I	75	62,577 (5)	114	44,429 (7)	114	38,129 (4)	39	25,878 (14)	342	44,193 (15)
Institution P	103	61,438 (6)	113	44,315 (8)	69	37,098 (8)	0	0	285	48,756 (7)
Institution K	406	60,821 (7)	327	43,959 (10)	235	37,653 (6)	13	28,629 (9)	981	49,224 (5)
<b>The California State University</b>	<b>7,512</b>	<b>57,836 (8)</b>	<b>2,332</b>	<b>45,730 (4)</b>	<b>1,939</b>	<b>37,413 (7)</b>	<b>225</b>	<b>30,957 (4)</b>	<b>12,008</b>	<b>51,684 (4)</b>
Institution S	290	57,415 (9)	256	44,115 (9)	211	38,676 (3)	2	28,916 (7)	759	47,645 (9)
Institution F	266	56,978 (10)	254	41,417 (16)	191	34,257 (17)	27	24,656 (15)	738	44,559 (13)
Institution G	151	56,800 (11)	227	43,500 (11)	169	35,800 (13)	14	31,200 (3)	561	44,453 (14)
Institution C	88	56,418 (12)	57	41,584 (15)	81	35,968 (11)	0	0	226	45,347 (10)
Institution B	101	56,032 (13)	74	44,540 (6)	39	36,690 (10)	9	30,056 (5)	223	47,787 (8)
Institution D	170	55,885 (14)	226	42,749 (12)	97	35,073 (15)	30	26,215 (12)	523	44,764 (12)
Institution A	509	55,520 (15)	445	41,618 (14)	344	35,054 (16)	20	26,655 (11)	1,318	45,047 (11)
Institution M	119	54,175 (16)	129	41,294 (17)	98	33,599 (19)	4	24,300 (17)	350	43,325 (16)
Institution T	259	52,922 (17)	289	39,252 (20)	188	35,934 (12)	5	32,963 (2)	741	43,146 (17)
Institution O	166	52,851 (18)	239	39,356 (19)	136	33,982 (18)	1	28,000 (10)	542	42,120 (19)
Institution E	106	50,933 (19)	104	41,632 (13)	84	35,308 (14)	19	28,790 (8)	313	42,307 (18)
Institution L	50	49,639 (20)	26	38,054 (21)	45	31,151 (21)	0	0	121	40,274 (21)
Institution H	196	48,282 (1)	123	39,404 (18)	117	32,820 (20)	23	24,479 (16)	459	40,769 (20)
<b>Comparison Institution Totals</b>	<b>4,418</b>	<b>\$59,139</b>	<b>4,344</b>	<b>\$43,781</b>	<b>3,143</b>	<b>\$36,806</b>	<b>321</b>	<b>\$28,315</b>	<b>12,226</b>	<b>\$47,131</b>

Note: The data in this display for the California State University reflect salary increases awarded on January 1, 1990. Actual salaries earned by State University faculty for the 1989-90 fiscal year are thus slightly lower than listed here, and these differences could affect the State University's ranking. The rankings for several comparison institutions may also be affected by salary increases given at times other than the first day of the fiscal year.

Source: California State University, Office of the Chancellor.

that because the State University faculty will receive their final salary adjustment on January 1, 1990, the computed average annual by rank salaries displayed for 1989-90 is greater than the salaries actually earned by the faculty for this entire

academic year. In reality the salaries for academic year 1989-90 are: Professors \$56,953; Associate Professors \$45,032; Assistant Professors \$36,841; and Instructors \$30,484.

**DISPLAY 8** *California State University Faculty Salary Parity Calculations, 1990-91 (Comparison Institution Average Salaries, 1984-85 and 1989-90; Five-Year Compound Rates of Increase; Comparison Institution 1989-90 Projected Salaries; State University 1989-90 Average Salaries; 1990-91 Projected Percentage Salary Deficiency; 1989-90 Staffing Patterns)*

Academic Rank	Comparison Group Weighted by Total 1984-85	Average Salaries Faculty at Each Rank 1989-90	Five-Year Percentage Rate of Change	Comparison Group Projected Salaries 1990-91
Professor	\$44,216	\$59,139	5.989%	\$62,680
Associate Professor	32,834	43,781	5.924%	46,375
Assistant Professor	26,978	36,806	6.409%	39,165
Instructor	21,154	28,315	6.000%	30,015

Academic Rank	State University Average Salaries 1989-90	Comparison Group Average Salaries		Percentage Increase Required in CSU Salaries to Equal the Comparison Institution Average	
		1989-90	1990-91	1989-90	1990-91
Professor	\$57,836	\$59,139	\$62,680	2.25 %	8.38%
Associate Professor	45,730	43,781	46,375	-4.26%	1.41%
Assistant Professor	37,413	36,806	39,165	-1.62%	4.68%
Instructor	30,957	28,315	30,015	-8.54%	-3.04%

All Ranks Averages					
Weighted by State University Staffing	\$51,684	\$51,972	\$55,104	0.56%	6.62%
Weighted by Comparison Institution Staffing	\$47,579	\$47,131	\$49,984	-0.94%	5.06%
Mean All Ranks Average and Gross Percentage Amount	\$49,631	\$49,552	\$52,544	-0.16%	5.87%

Adjustments					
Turnover and Promotions			-\$99		0.20%
Effect of Law Faculty			-\$99		0.20%
Merit Award Adjustment			-\$337		0.59%
Net Parity Salary and Percent			\$52,008		4.88%

Institutional Staffing Patterns	Professor	Associate Professor	Assistant Professor	Instructor	Total
California State University	7,512	2,332	1,939	225	12,008
Comparison Institutions	4,418	4,344	3,143	321	12,226

Source: Office of the Chancellor, The California State University (reproduced in Appendix F).

### *Conversion factor*

One of the required calculations to derive an average salary figure for each comparison institution is a conversion from eleven-month to nine-month faculty, since all average salaries are based on nine-month contracts. In its annual report on the economic status of the profession, the AAUP uses a factor of 0.8182 -- a figure derived by dividing nine by eleven. In some cases, however, institutions use different conversion factors to build their budgets, and these are all specified by the AAUP in footnotes to its report and used to derive average salary figures. In many cases, especially in independent institutions, no published salary schedules or institutional con-

version factors exist, since all faculty contracts are negotiated individually in terms of both length of annual service and compensation. In these cases, all conversions used to derive average salaries are artificial, and the AAUP simply applies the 0.8182 factor as a reasonable estimate.

In the State University, as shown in Display 9 on page 19, the actual relationship between eleven-month and nine-month faculty is about 0.87 percent, but for the purposes of the annual salary reports, and reporting to the AAUP, the 0.8182 figure continues to be used for the purposes of assuring analytical consistency with the comparison institutions.

**DISPLAY 9 California State University 1989-90 Salary Schedule for Nine-Month and Eleven-Month Regular Faculty, with Percentage Differences (Effective January 1, 1990\*)**

Nine-Month Faculty by Rank	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
Professor	\$48,168	\$50,460	\$52,896	\$55,464	\$58,116			
Associate Professor	38,112	39,948	41,844	43,848	45,936	\$48,168	\$50,460	\$52,896
Assistant Professor	30,276	31,692	33,192	34,764	36,420	38,112	39,948	41,844
Instructor	27,708	28,932	30,276	31,692	33,192			

Eleven-Month Faculty by Rank	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
Professor	\$55,464	\$58,116	\$60,960	\$63,888	\$66,984			
Associate Professor	43,848	45,936	48,168	50,460	52,896	\$55,464	\$58,116	\$60,960
Assistant Professor	34,764	36,420	38,112	39,948	41,844	43,848	45,936	48,168
Instructor	31,692	33,192	34,764	36,420	38,112			

Percentage Difference by Rank	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Overall Average
Professor	86.85%	86.83%	86.77%	86.81%	86.76%	N/A	N/A	N/A	
Associate Professor	86.92	86.96	86.87	86.90	86.84	86.85%	86.83%	86.77%	
Assistant Professor	87.09	87.02	87.09	87.02	87.04	86.92	86.96	86.87	
Instructor	87.43	87.17	87.09	87.02	87.09	N/A	N/A	N/A	
Average	87.07%	87.00%	86.96%	86.96%	86.93%	86.89%	86.90%	86.82%	86.94%

\*Add 10 percent to each step for business and engineering faculty.

Source: California State University, Office of the Chancellor. (Incremental Salary Adjustment computed by the California Postsecondary Education Commission).



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# Appendix A

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**Senate Concurrent Resolution No. 51, 1965 General Session,  
Relative to Academic Salaries and Welfare Benefits**

**WHEREAS, The Joint Legislative Budget Committee pursuant to House Resolution No. 250, 1964 First Extraordinary Session, has had prepared and has adopted a report of the Legislative Analyst containing findings and recommendations as to salaries and the general economic welfare, including fringe benefits, of faculty members of the California institutions of higher education; and**

**WHEREAS, The study of the Joint Legislative Budget Committee found that the reporting of salaries and fringe benefits as it has been made previously to the Legislature has been fragmentary and has lacked necessary consistency, with the result that the Legislature's consideration of the salary requests of the institutions of higher learning has been made unnecessarily difficult; and**

**WHEREAS, The report recommends that the Legislature and the Governor should receive each December 1 a report from the Coordinating Council for Higher Education, plus such supplementary information as the University of California and the California State Colleges desire to furnish independently, containing comprehensive and consistently reported information as outlined specifically in the report adopted by the Joint Legislative Budget Committee; and**

**WHEREAS, The reporting recommended by the committee would include essential data on the size and composition of the faculty, the establishment of comprehensive bases for comparing and evaluating faculty salaries, the nature and cost of existing and desired fringe benefits, the nature and extent of total compensation to the faculty, special privileges and benefits, and a description and measurement of supplementary income, all of which affect the welfare of the faculties and involve implications to the state now, therefore, be it**

***Resolved by the Senate of the State of California, the Assembly thereof concurring, That the Coordinating Council for Higher Education in cooperation with the University of California and the California State Colleges shall submit annually to the Governor and the Legislature not later than December 1 a faculty salary and welfare benefits report containing the basic information recommended in the report of the Joint Legislative Budget Committee as filed with the President of the Senate and the Speaker of the Assembly, under date of March 22, 1965.***

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# Appendix B

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NOTE: The following material is reproduced from Chapter Two, "The Revised Methodology," of the second edition of *Methods for Calculating Salary and Fringe Benefit Cost Comparisons, 1985-86 to 1994-95: A Revision of the Commission's 1977 Methodology for Preparing Its Annual Reports and Faculty and Administrative Salaries and Fringe Benefit Costs*. Commission Report 85-11. Sacramento: California Postsecondary Education Commission, March 1985. pp. 7-16 (second edition issued February 1988).

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The following procedures will be employed by the California Postsecondary Education Commission to develop its annual report on faculty salaries and fringe benefits in California public higher education

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## 1. Number and timing of reports

One report will be prepared by the Commission each year. That report will contain current-year data from both the University of California's and the California State University's comparison institutions, such data to be submitted by the segments to the Commission, the Department of Finance, and the Legislative Analyst not later than December 5 each year. The segmental submissions are to include total nine and eleven-month expenditures, and the number of faculty, at each rank specified in Section 4 of this document for each comparison institution. Comparison institutions should be identified only by letter code. Commission staff shall verify the accuracy of the segmental calculations and report the results of its analysis to the Department of Finance and the Office of the Legislative Analyst on December 5, or the first working day following December 5 if the latter falls on a weekend. The Commission shall submit a report on the subject to the Department of Finance and the Joint Legislative Budget Committee not later than February 15.

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## 2. Principle of parity

The report will indicate needed percentage increases (or decreases) for the forthcoming fiscal year in salaries and fringe benefit costs for University of California and California State University faculty to achieve and maintain parity with comparison institution faculty at the ranks of professor, associate professor, assistant professor, and (at the State University only) instructor. Parity is defined as the mean of all salaries paid by the comparison institutions as a whole at each rank. A separate list of comparison institutions will be used by each of the four-year California segments of higher education.

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## 3. Comparison institutions

### *University of California*

Comparison institutions for the University of California, with independent institutions asterisked (\*), will be the following:

Harvard University\*  
Massachusetts Institute of Technology\*  
Stanford University\*  
State University of New York at Buffalo  
University of Illinois, Urbana  
University of Michigan, Ann Arbor  
University of Virginia  
Yale University\*

(On February 8, 1988, the Commission voted to replace Cornell University and the University of Wisconsin-Madison with MIT and the University of Virginia, respectively.)

### *The California State University*

Comparison institutions for the California State University will be the following for the years 1987-88 through 1996-97.

Northeast  
Bucknell University\*

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Rutgers the State University of New Jersey, Newark  
State University of New York, Albany  
Tufts University\*  
University of Bridgeport\*

**South**

Georgia State University  
North Carolina State University  
University of Maryland, Baltimore County  
Virginia Polytechnic Institute and State University

**North Central**

Cleveland State University  
Loyola University, Chicago\*  
Mankato State University  
Wayne State University  
University of Wisconsin, Milwaukee

**West**

Arizona State University  
Reed College\*  
University of Colorado, Denver  
University of Nevada, Reno  
University of Southern California\*  
University of Texas, Arlington

\* Independent Institution

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**4. Faculty to be included and excluded**

*University of California*

Faculty to be included in the comparisons are those at the ranks of professor, associate professor, and assistant professor (the University does not use the rank of instructor) employed on nine and eleven-month (prorated) appointments, with the exception of faculty in law, the health sciences, summer sessions, extension programs, and laboratory schools, to the extent that these faculty are covered by salary scales or schedules other than those of the regular faculty. Faculty on the special salary schedules for engineering, computer science, and business administration will be included with the regular faculty.

Faculty members to be included are those assigned to instruction (regardless of their assignments for research and other University purposes), department chairmen (if not on an administrative salary schedule), and faculty on salaried sabbatical leave.

The number of University faculty will be reported on a full-time-equivalent basis.

*The California State University*

Faculty to be included in the comparisons are those with full-time appointments at the ranks of professor, associate professor, assistant professor, and instructor, employed on nine and eleven-month (prorated) appointments, department chairmen, and faculty on salaried sabbatical or special leave. Faculty teaching seminar sessions or extension will be excluded.

Funds appropriated for "outstanding professor awards" will be included in the State University's mean salaries.

The number of State University and comparison institution faculty will be reported on a headcount basis.

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**5. Computation of comparison institution mean salaries**

As indicated below, the University and the State University use different methods to compute mean salaries in their respective groups of comparison institutions. The Commission will provide a detailed explanation of these differences in its annual report.

*University of California*

For the University's comparison group, the mean salary at each rank will be obtained for each comparison institution. The mean salary at each rank for the comparison group as a whole will then be calculated by adding the mean salaries at the eight comparison institutions and dividing by eight.

*The California State University*

For the State University's comparison group, the total actual salary dollars paid at each rank for the group as a whole will be divided by the number of faculty within the rank at all 20 institutions to derive the mean salary for each rank.

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**6. Five-year compound rate of salary growth**

In order to compute the estimated salaries to be paid

by the comparison institutions in the budget year, a five-year compound rate of change in salaries will be computed using actual salary data for the current year and the fifth preceding year.

Each segment will compute the mean salary, by rank, for their respective comparison groups as specified in Section 5 above. Each will then calculate the annual compound rate of growth at each rank between the current year and the fifth year preceding the current year. These rates of change will then be used to project mean salaries for that rank forward one year to the budget year.

In the event that neither current-year staffing nor mean salary data can be obtained from a comparison institution in a timely manner, the staffing pattern and salary expenditure data from the prior year will be used with the expenditures at each rank being incremented by 95 percent of the anticipated current-year salary increase. If current-year staffing data are available, but not current-year salary expenditure data, the staffing data will be used with the prior-year expenditures at each rank being incremented by 100 percent of the anticipated current-year salary increase.

When a comparison institution does not supply both its current-year staffing and salary expenditure data, and when that institution does not anticipate a general faculty salary increase in the current year, the prior-year staffing and expenditure data will be assumed to remain unchanged for the current year.

When current year staffing and salary expenditure data are available, but do not reflect the full extent of planned salary adjustments (e.g., reported data do not include a specified percentage to be granted after July 1 of a given fiscal year), the salary expenditures at each rank will be adjusted to reflect the full extent of the planned adjustment.

When complete staffing and expenditure data are available for neither the current nor prior years, the most recent year for which complete data are available will be used. In such a case, expenditures at each rank will be incremented by 95 percent of the anticipated salary expenditures increase for each year in which complete data are unavailable.

If the University of California or the California State University are unable to obtain complete current-year staffing and salary expenditure data from all of their respective comparison institutions by December 5 of any year, a supplemental report will be

filed with the Commission, the Department of Finance, and the Office of the Legislative Analyst as soon as the data become available, but not later than April 1 of the subsequent calendar year, such update to include all additional data received since December 5. If the comparison institution data remain incomplete as of the April 1 date, a final report will be filed on June 30, or at such earlier time as the University or the State University are able to supply complete data.

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## 7. Fringe benefits

On June 30, 1989, and every fourth year thereafter, the University of California and the California State University shall submit reports on faculty fringe benefits for the preceding fiscal year, such reports to include the following information for their own system and for each comparison institution:

- a. The mean employer and employee contribution for retirement programs; health insurance programs (including medical, dental, vision and any other medical coverage); Social Security; and life, unemployment, workers' compensation, and disability insurance;
- b. The mean contribution needed to fund the "normal costs" of the retirement systems; and
- c. Any further information available, in addition to the cost data, on actual benefits received.

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## 8. All-ranks average salaries

All-ranks mean salaries will be calculated for each segment in the current year, and the comparison institutions' mean salaries in the current and budget years, by using the following procedures.

### *University of California*

Both the University's and its comparison institutions' mean salaries at each rank will be weighted by the University's projected budget-year staffing pattern. The all-ranks mean salaries produced thereby will be compared and percentage differentials computed for both the current and budget years. The percentage differential between the Uni-

versity's current year all-ranks mean salary and the comparison group's projected budget year all-ranks mean salary will constitute the percentage amount by which University salaries will have to be increased (or decreased) to achieve parity with the comparison group in the budget year.

### *The California State University*

Both the State University's and its comparison institutions' current-year staffing patterns will be employed. The rank-by-rank mean salaries will be separately weighted by the respective staffing patterns for both the current and budget years so that two sets of all-ranks mean salaries will be derived. The two all-ranks mean salaries for the State University in the current year (the first weighted by the State University's staffing pattern and the second by the comparison group's staffing pattern) will be added together and divided by two to produce the overall mean. Similarly, the current and budget-year all-ranks mean salaries for the comparison institutions will be added and divided by two to produce overall means for both the current and budget years. The State University's current-year all-ranks mean salary will then be compared to the current and budget-year comparison institution all-ranks mean salary to produce both current and budget-year parity percentages. The percentage differential between the State University's current-year all-ranks mean salary and the comparison group's projected budget-year all-ranks mean salary will constitute the "Gross Percentage Amount" by which State University salaries will need to be increased or decreased to achieve parity with the comparison group in the budget year.

The "Gross Percentage Amount" will be reduced by applying three adjustments:

- First, two-tenths of one percent (0.2 percent) will be deducted to account for the effect of turnover and promotions in the budget year.
- Second, an additional two-tenths of one percent (0.2 percent) will be deducted to account for the effect of higher paid law-school faculty in eight of the State University's comparison institutions.
- Third, an additional percentage amount, to account for the effect of unallocated merit salary

awards, shall be deducted when applicable. The amount to be deducted shall be mutually agreed to by Commission staff and the Chancellor's Office of the State University.

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## **9. Administrative, medical, and community college salaries**

### *Administrative salaries*

In its annual faculty salary report, the Commission will report the salaries paid to selected central-office and campus-based administrators at the University and the State University. The Commission shall also include data on comparable campus-based positions from both the University's and the State University's respective comparison institutions. The University and State University will use the same group of comparison institutions as for their faculty surveys.

The campus-based administrative positions to be surveyed shall include those listed in Display 1:

In addition to these campus-based positions for which the national survey shall be conducted, the University and the State University shall also report the salaries paid to all central office personnel with the position titles listed in Display 2.

### *Medical faculty salaries*

The Commission will include data on comparative salaries and compensation plans for the University of California and a select group of comparison institutions on a biennial basis commencing with the 1985-86 academic year. Comparison institutions to be surveyed will be Stanford University, the University of Chicago, the University of Illinois, the University of Michigan, the University of North Carolina, the University of Texas at Houston, the University of Wisconsin, and Yale University. Disciplines to be surveyed will be internal medicine, pediatrics, and surgery, which, taken together, will be considered representative of the medical profession as a whole.

### *Community college faculty salaries*

In its annual report on faculty salaries, the Commis-

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**DISPLAY 1** *Campus-Based Administrative Positions for Which Current-Year Salaries at the University of California, the California State University, and Their Respective Comparison Institutions Are to Be Reported in the Commission's Annual Administrators' Salary Survey*

<u>University of California</u>	<u>The California State University</u>
1. Chief Executive Officer/Single Institution	1. Chief Executive Officer/Single Institution
2. Chief Academic Officer	2. Chief Academic Officer
3. Chief Business Officer	3. Chief Business Officer
4. Director of Personnel/Human Resources	4. Director of Personnel/Human Resources
5. Chief Budget Officer	5. Chief Budget Officer
6. Director of Library Services	6. Director of Library Services
7. Director of Computer Services	7. Director of Computer Services
8. Director of Physical Plant	8. Director of Physical Plant
9. Director of Campus Security	9. Director of Campus Security
10. Director of Information Systems	10. Director of Institutional Research
11. Director of Student Financial Aid	11. Director of Student Financial Aid
12. Director of Athletics	12. Director of Athletics
13. Dean of Agriculture	13. Dean of Agriculture
14. Dean of Arts and Sciences	14. Dean of Arts and Sciences
15. Dean of Business	15. Dean of Business
16. Dean of Education	16. Dean of Education
17. Dean of Engineering	17. Dean of Engineering
18. Dean of the Graduate Division	18. Dean of the Graduate Division

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**DISPLAY 2** *Central-Office Administrative Positions for Which Current-Year Salaries Are to Be Reported in the Commission's Annual Administrators' Salary Survey*

<u>University of California</u>	<u>The California State University</u>
1. President	1. Chancellor
2. Senior Vice President	2. Provost-Vice Chancellor or Executive Vice Chancellor
3. Vice President	3. Deputy Provost
4. Associate Vice President	4. Vice Chancellor
5. Assistant Vice President	5. Associate Vice Chancellor
6. General Counsel of the Regents	6. Assistant Vice Chancellor
7. Deputy General Counsel of the Regents	7. General Counsel
8. Treasurer of the Regents	8. Associate General Counsel
9. Associate Treasurer of the Regents	9. Director of Governmental Affairs
10. Secretary of the Regents	10. Auditor
11. Director of State Governmental Relations	
12. Auditor	

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sion shall include such comments as it considers appropriate to satisfy the recommendation of the Legislative Analyst contained in the Analysis of the Budget Bill, 1979-80. Comments shall be directed to, but need not be limited by, the contents of the Annual Report on Staffing and Salaries of the Community Colleges' Chancellery.

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## 10. Supplementary information

Supplementary information shall be supplied annually by both the University of California and the California State University. The University of California shall continue to submit its "Annual Academic Personnel Statistical Report." The California State University shall submit a report to the Commission on faculty demographics, promotions and separations, origins and destinations, and related data. Both the University and the State University will submit their supplemental reports not later than April 1.

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## 11. Criteria for the selection of comparison institutions

### *University of California*

The following four criteria will be used to select comparison institutions for the University:

1. Each institution should be an eminent major university offering a broad spectrum of undergraduate, graduate (Master's and PhD), and professional instruction, and with a faculty responsible for research as well as teaching.
2. Each institution should be one with which the University is in significant and continuing competition in the recruitment and retention of faculty.
3. Each institution should be one from which it is possible to collect salary and benefit cost data on a timely, voluntary, and regular basis. (Not all institutions are willing to provide their salary and benefit cost data, especially in the detail required for comparison purposes.)

4. The comparison group should be composed of both public and private institutions.

In selecting these institutions, stability over time in the composition of the comparison group is important to enable the development of faculty salary market perspective, time-series analysis, and the contacts necessary for gathering required data.

### *The California State University*

The following five criteria will be used to select comparison institutions for the California State University.

1. *General comparability of institutions:* Comparison institutions should reflect the mission, functions, purposes, objectives, and institutional diversity of the California State University system. Faculty expectations at the comparison institutions, in terms of pay, benefits, workload, and professional responsibilities, should be relatively similar to those prevailing at the California State University. To those ends, State University comparison institutions should include those that offer a wide variety of programs at both the undergraduate and graduate levels but that grant very few if any doctoral degrees. Specifically, the 20 institutions that awarded the largest number of doctoral degrees during the ten-year period between 1973-74 and 1983-84 should be excluded. The list should include both large and small, and urban and rural institutions from each of the four major regions of the country (Northeast, North Central, South, and West). Approximately one-fourth to one-third of the institutions on the list should be private or independent colleges and universities, and none of these institutions should be staffed predominantly with religious faculty.
2. *Economic comparability of institutional location:* The comparison group, taken as a whole, should reflect a general comparability in living costs and economic welfare to conditions prevailing in California. Consequently, institutions located in very high cost areas, such as New York City, or in severely economically depressed areas, should not be included on the list. In order to ensure a continuing economic comparability between Califor-

nia and those regions in which comparison institutions are located, the Commission will periodically review such economic indicators as it considers appropriate and include the results of its surveys in its annual report on faculty salaries and fringe benefit costs.

3. *Availability of data:* Each institution should be one from which it is possible to collect salary and benefit cost data on a timely, voluntary, and regular basis. (Not all institutions are willing to provide their salary and benefit cost data, especially

in the detail required for comparison purposes.)

4. *Fringe benefits:* The comparison institutions should provide fringe benefits, including a retirement program that vests in the faculty member within five years.

5. *University of California comparison institutions:* The California State University's comparison group should not include any institution used by the University of California for its comparison group.



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## Appendix C

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**House Resolution No. 250, 1964 First Extraordinary Session,  
Relative to the Economic Welfare of the Faculties  
of the California Public Institutions of Higher Education**

WHEREAS, The Master Plan for Public Higher Education strongly recommended that every effort be made to ensure that the institutions of higher education in California maintain or improve their position in the intense competition for the highest quality of faculty members; and

WHEREAS, The Coordinating Council for Higher Education in its annual report to the Governor and the Legislature regarding level of support for the California State Colleges and the University of California recommended that funds should be provided to permit at least an additional 5 percent increase in academic salaries for the California State Colleges and the University of California; and

WHEREAS, The Trustees of the California State Colleges in their annual report to the Legislature declared that the California State Colleges are falling far behind in the face of this competition and that by 1964-65 faculty salaries will be lagging 14 to 18 percent behind those of comparable institutions; and

WHEREAS, Greatly increasing enrollments in institutions of higher education in California during the next decade will cause a demand for qualified faculty members which cannot possibly be met unless such institutions have a recruitment climate which will compare favorably with other colleges, universities, and business institutions, industry, and other levels of government; and

WHEREAS, California has achieved an enviable momentum in business and industrial development, a momentum now threatened by lagging faculty salaries so that failure to maintain adequate salary scales for faculty members in California institutions of higher education would be false economy; and

WHEREAS, There have been widespread reports from the State College and University campuses that higher salaries elsewhere are attracting some of the best faculty members from the California institutions of higher education, and if such academic emigration gains momentum because of inadequate salaries, the effect will disrupt the educational processes and result in slower economic growth, followed by lower tax revenues; and

WHEREAS, The Legislature has a continuing interest in the difficult and pressing problems faced by the California institutions of higher education in attracting and maintaining outstanding faculty members in a period of stiff competition and rapid growth; and

WHEREAS, The State's investment in superior teaching talent has been reflected in California's phenomenal economic growth and has shown California taxpayers to be the wisest of public investors, but unless the superiority in faculty quality is maintained, the contributions by the California institutions of higher education to the continued

economic and cultural development of California may be seriously threatened; now, therefore, be it

***Resolved by Assembly of the State of California, That the Assembly Committee on Rules is directed to request the Joint Legislative Budget Committee to study the subject of salaries and the general economic welfare, including fringe benefits, of faculty members of the California institutions of higher education, and ways and means of improving such salaries and benefits in order that such California institutions of higher education may be able to compete for the talent necessary to provide the highest quality of education, and to request such committee to report its findings and recommendations to the Legislature not later than the fifth legislative day of the 1965 Regular Session.***

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# *Appendix D*

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**A RECOMMENDED METHOD FOR REPORTING TO THE LEGISLATURE  
ON FACULTY SALARIES AND OTHER BENEFITS  
AT THE UNIVERSITY OF CALIFORNIA AND  
THE CALIFORNIA STATE COLLEGES**

**(Pursuant to HR 250, 1964 First Extraordinary Session)**

*Prepared by the*  
**Office of the Legislative Analyst  
State of California**

**January 4, 1965**

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## INTRODUCTION

The purpose of this staff report is to recommend a method for reporting to the Legislature on salaries, fringe benefits and other special economic benefits for faculties of the University of California and the California State Colleges. This report has been prepared by the Joint Legislative Budget Committee in response to House Resolution 250 (1964 First Extraordinary Session, Appendix 1)<sup>1</sup> which resolved:

"That the Assembly Committee on Rules is directed to request the Joint Legislative Budget Committee to study the subject of salaries and the general economic welfare, including fringe benefits, of faculty members of the California institutions of higher education, and ways and means of improving such salaries and benefits in order that such California institutions of higher education may be able to compete for the talent necessary to provide the highest quality of education, and to request such committee to report its findings and recommendations to the Legislature not later than the fifth legislative day of the 1965 Regular Session."

Staff of the Joint Legislative Budget Committee initiated its study by seeking information which would reflect the magnitude of California's long-range and immediate problems regarding the need to recruit and retain an adequate number of high quality faculty. While reviewing past reports presented to the Legislature as justification for salary increase recommendations by the Coordinating Council for Higher Education, the University of California and the California State Colleges, it became apparent that the first step in trying to improve faculty salaries and other benefits is to furnish the Legislature with comprehensive and consistent data which identify the nature and level of competitive benefits. The costs associated with recommendations, rated according to priority, should be included in proposals by the segments in order to aid the Legislature in determining how much to appropriate and the benefits which an appropriation will buy.

There has existed in the past a difference between what the institutions have recommended as the need for salary and benefit increases and what has finally been appropriated by the Legislature. There are two principal reasons for this difference which at times may be closely related: (1) The Legislature may disagree with what is proposed as to need, or (2) there may not be enough funds to meet the need because of higher priorities in other areas of the budget.

These needs are very complex and, for example, include such factors as:

1. Disagreement with conclusions drawn from data submitted in justification of recommendations;
2. Lack of confidence in the quantity, quality, or type of data;

<sup>1</sup> Appendices deleted.

3. The failure of advocates to make points which are concise and clearly understandable;
4. The submission of conflicting data by legislative staff or the Department of Finance.

After careful consideration, it was determined that a special report should be made to the Budget Committee containing recommendations as to the kind of data the Legislature should be furnished for the purpose of considering salary and other benefit increases.

On August 3, 1964 a letter (Appendix 2) was sent from the Legislative Analyst to the Coordinating Council for Higher Education, the University of California, the California State Colleges, the Department of Finance and various faculty organizations informing them that the Joint Legislative Budget Committee was planning to hold a public hearing in connection with HR 250 and asking for replies to a series of questions designed to gather background information about salary and fringe benefits data (Appendix 3, Copies of Replies Received). The primary purpose of the hearing was to provide the University of California, the California State Colleges and interested groups the opportunity to indicate the basis on which salary and fringe benefits should be reported to the Legislature, including the kind of data to be compiled and who should compile and publish it (Appendix 4, Copies of Prepared Testimony Filed with the Joint Legislative Budget Committee at the October 15, 1964 Hearing). The contents of most of the prepared statements discussed problems and in some instances recommendations relating to faculty salaries and other benefits rather than the primary purpose of the hearing, but the testimony did serve to identify areas of concern. The hearing also established legislative interest in the subjects of faculty workload and sources of supplementary income.

The review of past faculty salary reports, the replies to the Legislative Analyst's letter of August 3, 1964, the oral and prepared statements received at the October 15, 1964 hearing of the Joint Legislative Budget Committee and other sources have revealed significant findings and permitted the development of recommendations concerning the type of information and method of presentation that should be included in future faculty salary reports prepared for the Legislature.

## BACKGROUND

Current procedures for review of faculty salary and other benefit increase proposals, starting with the presentation of recommendations by state colleges and University of California administrative officials to their respective governing boards, appear generally to be adequate, with minor reservations. The State College Trustees and the Regents of the University of California generally formulate their own proposals in December and forward them to the State Depart-

ment of Finance for budget consideration. Concurrently the Coordinating Council for Higher Education also makes a report with recommendations which is made available to the State Department of Finance. The Governor and the Department of Finance consider these salary increase proposals in relation to the availability of funds and their own analysis of faculty salary needs and decide how much of an increase, if any, to include in the Governor's Budget. The Legislative Analyst in the *Analysis of the Budget Bill* provides analysis and recommendations as to the Governor's budget proposal.

When appropriate legislative committees hear the budget request for faculty salary increases they may be confronted with several recommendations from various sources. Their first responsibility is to consider the Governor's recommendations in the Budget Bill. However, the University and the California State Colleges generally request the opportunity to present their own recommendations, which frequently differ from the Governor's proposal. Also, the Coordinating Council for Higher Education presents its recommendations. Various faculty organizations may desire to make independent proposals. The Legislature has been cooperative in providing all interested parties the opportunity to present their views, but these presentations have been marked by extreme variations in recommendations and in the data which support the requests.

#### WHO SHOULD PREPARE FACULTY SALARY REPORTS

There appears to be some difference of opinion concerning the purpose of faculty salary reports and recommendations prepared by the Coordinating Council for Higher Education. The University of California and the California State Colleges contend that they should make direct recommendations to the Governor and the Legislature and that Coordinating Council recommendations should be regarded as independent comments. Conversely, the Department of Finance and the Coordinating Council for Higher Education believe that salary reports and recommendations of the Coordinating Council should be the primary report submitted to the Department of Finance and the Governor to consider in preparing budget recommendations. The Department of Finance states that such a report should be regarded as similar in status to the annual salary report relating to civil service salaries prepared by the State Personnel Board for the Governor and the Legislature. It is our opinion that the Legislature should give specific and primary consideration to the recommendations in the Governor's Budget and to the annual faculty salary report of the Coordinating Council for Higher Education. However, any separate recommendations of the University of California and the California State Colleges should also be considered.

#### WHAT FACULTY SALARY REPORTS SHOULD CONTAIN

We do not believe that reporting required of the University, the California State Colleges, and the Coordinating Council for Higher Education should limit the right of these agencies to emphasize specific points in supporting their own recommendations. However, the Legislature should take steps to establish a consistent basis upon which it will receive comprehensive information about faculty salaries, other benefits, and related subjects from year to year. After careful consideration of the statistical and other grounds presented in support of salary and other benefit increase proposals in the past, we recommend that basic data be included in faculty salary reports to the Legislature in a consistent form in the following areas:

- A. Faculty Data
- B. Salary Data
- C. Fringe Benefits
- D. Total Compensation
- E. Special Privileges and Benefits
- F. Supplementary Income

Since it is necessary for staff of the executive and legislative branches of government to analyze recommendations prior to the commencement of a legislative session, all reports and recommendations should be completed by December 1 of each year.

#### A. Faculty Data

##### 1. Findings

- a. Informative data about the size, composition, retention, and recruitment of California State College faculty has been presented to the Legislature from time to time, but usually it has been so selective that it lacks objectivity and has been inconsistent from year to year.
- b. Superior faculty performance has not been demonstrated as a reason to justify past requests for superior salaries.

##### 2. Recommendations

The following data should be compiled and presented annually on a consistent basis. Definitions of what constitutes faculty are left to the discretion of the University and the state colleges but should be clearly defined in any report. Additional data may be included in any given year to emphasize special problems, but such data should supplement not replace the basic information recommended below. Graphs should be used when practical, accompanied by supporting tables in an appendix. Recommended faculty data includes:

- a. The number of faculty, by rank and the increase over the previous five years to reflect institutional growth.
- b. Current faculty composition expressed in meaningful terms, including but not limited to the percentage of the faculty who have PhD's.
- c. Student-faculty ratios as a means of expressing performance.
- d. Data relating to all new full-time faculty for the current academic year including the number hired, source of employment, their rank and highest degree held. Existing vacancies should also be noted. Pertinent historical trends in these data should be analyzed. We do not believe that subjective and incomplete data estimating reasons for turning down offers, such as has been presented in the past, serves any useful purpose.
- e. Faculty turnover rates comparing the number of separations to total faculty according to the following suggested categories; death or retirement, to research or graduate work, intra-institutional transfers, other college or University teaching, business and government, other.

### 3. Comments

The first three recommendations above are designed to reflect faculty size, composition, rate of growth, and workload. The inclusion of consistent data from year to year will facilitate trend analysis as it relates to the institutions involved and, when possible, to comparable institutions. The purpose of including data on new faculty and faculty turnover is to provide a quantitative base for discussions of problems relating to faculty recruitment and retention. It may also be beneficial to include some basic statistics about the available supply of faculty to see what proportion of the market, new PhD's for example, California institutions hire every year.

## B. Salary Data

### 1. Findings

- a. The University for several years has exchanged salary data to provide a consistent comparison with a special group of five "eminent" universities, as well as with a group of nine public universities. Conversely, the California State Colleges have not yet established a list of comparable institutions which is acceptable to them.
- b. Both the University of California and the Coordinating Council for Higher Education maintain that salary comparisons to appro-

priate institutions is the best single method of determining salary needs.

- c. The University of California places less significance on salary comparisons with non-academic employment than the Coordinating Council on Higher Education and the California State Colleges.
- d. Salary increases have been proposed on the basis of differentials between total compensation (salaries plus fringe benefits) in comparable institutions.
- e. Both the University and the California State Colleges have tended to relate the size of proposed salary increases to how much of an increase would be necessary to return to a specific competitive position which existed in 1957-58 and which was unusually advantageous.
- f. Salary comparisons have frequently been made to various levels of teaching including elementary, high school, and junior college salaries.
- g. Methods of salary comparisons with other institutions have varied from year to year in reports prepared by the state colleges.

### 2. Recommendations

- a. We recommend that proposed faculty salary increases distinguish between: (1) increases necessary to maintain the current competitive position and (2) increases to improve the current competitive position.

- (1) Proposed increases to maintain the existing competitive position should be equivalent to a projection of the average salary relationship between the University, or state colleges, and comparable institutions during the current fiscal year to the next fiscal year. We recommend that this projection be based on a projection of actual salary increases by rank in comparable institutions during the past five years, permitting statistical adjustments for unusual circumstances. Thus the proposed increase to maintain the existing competitive position would, in effect, be equal to the average of annual salary increases in comparable institutions during the past five years. A record of the accuracy of projections should be maintained in an appendix.
- (2) Recommendations to improve the current competitive positions should be related to the additional advantages to be derived.

- b. It is also recommended that the California State College Trustees select a list of com-

comparable institutions within the next year and that agreements be negotiated to exchange salary data in a form which will facilitate comparisons. A list of the criteria used to select comparable institutions, plus characteristics of the institutions selected, should be included in next year's report.

c. Specific proposals for salary increases should be accompanied by comparisons of current salary amounts and historic trends to comparable institutions. The following general principles are considered to be important:

(1) Salary data should be separated from fringe benefit and special benefit data for purposes of reporting salary comparisons.

(2) A consistent form should be used from year to year to present salary data. A suggested form might be to illustrate a five-year historic trend in average salaries by using a line graph for each rank. An alternative might be a table which simply shows where California ranked among comparable institutions during the past five years.

The current salary position might best be illustrated by showing a list of average salaries of the California institutions and the other comparable institutions from the highest to the lowest average, by rank, for the last actual and current years. This will show the relative position of the California institution for the last actual and current years, as well as the range of averages. Frequency distributions of faculty by rank or professor should be incorporated in an appendix and any significant limitations in the use of averages between those particular institutions in a given year should be noted. For example, an unusual proportion of faculty in the high ranks or the low ranks would affect the comparability of the arithmetic means.

(3) Special data to illustrate a particular problem in any given year would be appropriate as long as it supplements, rather than replaces, basic salary data.

d. Finally, it is recommended that salary data be reported in a form by rank which compensates for differences in faculty distributions.

### C. Fringe Benefits

#### 1. Findings

a. The definition of fringe benefits generally includes benefits available to all faculty that have a dollar cost to the employer. Benefits

and services in kind are considered to be fringe benefits only if a cash payment option is available. Retirement and health insurance, by definition, are the only two programs considered as fringe benefits by the University of California and the California State Colleges.

b. Comparisons of fringe benefits, when comparisons have been made at all, have generally been limited to the dollar contribution by the employer and have not included any analysis of the quality of the benefits to the employee.

#### 2. Recommendations

a. It is recommended that fringe benefit comparisons of type of benefit be included in faculty salary reports, but compared separately from salaries. Such comparisons should include an analysis of the quality of the benefits as well as the dollar cost to the employer.

b. Proposals to increase specific fringe benefits should be made separately from salaries, including separate cost estimates.

#### 3. Comments

Separate proposals for increases in salaries and fringe benefits should be made to minimize misunderstanding about competitive positions. For example, information submitted to the 1963 Legislature by the University of California in support of a proposed salary increase for 1963-64, compared total compensation data (salaries plus fringe benefits) rather than salaries alone. This report stated in part: "In comparing salaries, fringe benefits must be taken into account. Salary comparisons between the University and other institutions based on salary alone look far more favorable than comparisons of salaries plus benefits." The least favorable comparison was with fringe benefits, not salaries, thus the report recommended a salary increase largely on the basis of a difference in fringe benefits. Although it is felt that comparisons of total compensation are appropriate inclusions in a faculty salary report, such data should only be in addition to rather than in place of separate analyses of the current competitive position in salaries and fringe benefits.

#### D. Total Compensation

##### 1. Findings

a. Total compensation data consists of average salaries plus a dollar amount representing the employer's cost of fringe benefits.

b. The Coordinating Council for Higher Education, the University of California and the California State Colleges have in the past all



used total compensation data prepared and published by the American Association of University Professors in their respective faculty salary reports.

## 2. Recommendations

We recommend that total compensation data, as reported by the American Association of University Professors, be included in faculty salary reports as a supplement to separate salary and fringe benefit information.

## E. Special Privileges and Benefits

### 1. Findings

There are other faculty privileges and economic benefits which are not classified as fringe benefits because they may not be available to all faculty or fit the definition of a fringe benefit in some other respect. Examples at the University of California include up to one-half the cost of moving expenses, vacations for 11-month appointees, the waiving of nonresident tuition for faculty children, sabbatical leaves with pay, and other special and sick leaves with or without pay.

### 2. Recommendations

It is recommended that a list of special privileges and benefits be defined and summaries of related policies be included in a special section in future faculty salary reports so that the Legislature will be aware of what these privileges and benefits include.

### 3. Comments

The expansion or establishment of some of these special privileges and benefits could improve recruiting success more than the expenditure of comparable amounts in salaries. For example, moving expenses are not currently offered by the state colleges but some allowance might make the difference of whether a young candidate from the East could accept an appointment. If this type of benefit is proposed, it must include adequate controls.

## F. Supplementary Income

### 1. Findings

a. The multiple loyalties created by permitting faculty to supplement their salaries by earning extra income from various sources within and outside his college or University is recognized as a problem common to institutions of higher education throughout the United States.

b. There apparently are proportionately more private consulting opportunities in Califor-

nia than in other areas of the nation. For example, 51 percent of the federal research defense contracts were concentrated in California during 1963-64.

c. The University of California has general policies designed to insure that outside activities do not interfere with University responsibilities. If outside activities interfere with University responsibilities, the faculty member generally must take a leave of absence without pay until such outside activities are completed. These and other related University policies were praised in a 1956 Carnegie-financed study titled *University Faculty Compensation Policies and Practices*.

d. The Coordinating Council for Higher Education submitted excerpts from nationwide studies relating to the magnitude of outside activities. We have no way of determining how the data may relate to California, but if the figures are reasonable, then it appears that probably a large percentage of faculty have at least one source of extra income. Sources of income were reported as follows:

Source	Percent of faculty earning additional income from source
Lecturing .....	51%
General writing .....	23
Summer and extension teaching.....	25
Government consulting .....	15
Textbook writing .....	18
Private consulting .....	12
Public service and foundation consulting.....	9
Other professional activities.....	13

Source: *University Faculty Compensation Policies and Practices* in the U. S. Association of American Universities, University of Illinois Press, Urbana, 1956.

e. The United States Office of Education has just completed a nationwide sample survey of outside earnings of college faculty for 1961-62. Although data has not been published yet, special permission has been received to report the following results which are quoted from a letter sent to the Legislative Analyst on December 3, 1964 from the staff of the California State College Trustees:

### OUTSIDE EARNINGS OF TEACHING FACULTY ON ACADEMIC YEAR CONTRACTS (9-10 MONTHS)

The U. S. Office of Education has just completed a nationwide survey of outside earnings by a sampling of all college faculty nationwide for 1961-62. The results are as follows:

	Percent	Average earnings
All with outside earnings.....	74	\$2,200
Summer teaching .....	44	1,300
Other summer employment.....	11	1,300
Other teaching .....	12	900
Royalties .....	9	1,200
Speeches .....	0	200
Consultant fees .....	13	1,400
Retirement (individuals who have retired who teach elsewhere after retiring).....	1	3,400
Research .....	7	1,300
Other professional earnings.....	10	1,300
Non-professional earnings .....	9	1,700

The highest average earnings by teaching field and the percentage with outside earnings are:

	Percent	Average earnings
Law (which we do not have) .....	78	\$5,300
Engineering .....	53	3,200
Business and Commerce.....	73	2,900
Physical Sciences .....	80	2,900
Agriculture .....	71	1,900
Psychology .....	85	2,700

In light of the Joint Committee discussion you might be interested in the following:

	Percent	Average earnings
Social Sciences .....	74	\$1,900
Fine Arts .....	74	1,800
Philosophy .....	74	1,500
Religion and Theology.....	73	1,300

## 2. Recommendations

- a. We recommend that the Coordinating Council for Higher Education, the University of California and the California State Colleges cooperate in determining the extent to which faculty members participate in extra activities to supplement their nine-month salaries including information as to when extra activities are usually performed (such as vacations, etc.). Such activities would include, but not be limited to, lecturing, general writing, summer and extension teaching, government consulting, textbook writing, private consulting, public service and foundation consulting, and other professional activities. If such a study suggests that the magnitude of these activities is such that the performance of normal University and state college responsibilities are perhaps being adversely affected, their consideration should be given

to the possibility of maintaining more complete and meaningful records. Such records would aid administrative officials and academic senates when reviewing recommendations for promotions and salary increases and provide summary data for reporting to the Legislature on these significant faculty welfare items. Next year's faculty salary report of the Coordinating Council for Higher Education should incorporate the results of this study.

- b. We also recommend that existing state college policies and enforcement practices regarding extra employment be reviewed and updated.
- c. Finally, it is recommended that faculty salary reports keep the Legislature informed about policies and practices relating to extra employment.

## 3. Comments

In our opinion, it would seem that any extra employment would affect the quality of performance of University responsibilities since faculty surveys indicate that the average faculty workweek is 54 hours. The time spent on activities for extra compensation (except during the summer) would be on top of what the faculty has defined as their average workweek. Because, in some instances, it is difficult to determine whether a given income-producing activity, such as writing a book, is considered a normal University responsibility or an extra activity, distinctions between normal and extra activities need to be more clearly defined.

Much of the outside compensation received by faculty comes in the form of grants made directly to the faculty member rather than through the University or colleges. There is no regular reporting of these grants or the personal compensation which they provide to faculty, and the colleges and University do not consider the reporting of such income to be feasible. It may be desirable to encourage the Congress to direct that greater number of grants made by United States agencies for research be made directly to academic institutions.

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--. *Supplemental Report on Academic Salaries, 1988-89: A Report to the Governor and Legislature in Response to Senate Concurrent Resolution No. 51 (1965) and Subsequent Postsecondary Salary Legislation*. Commission Report 89-26. Sacramento: The Commission, September 1989.

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# CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

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**THE California Postsecondary Education Commission is a citizen board established in 1974 by the Legislature and Governor to coordinate the efforts of California's colleges and universities and to provide independent, non-partisan policy analysis and recommendations to the Governor and Legislature.**

## **Members of the Commission**

**The Commission consists of 15 members. Nine represent the general public, with three each appointed for six-year terms by the Governor, the Senate Rules Committee, and the Speaker of the Assembly. The other six represent the major segments of postsecondary education in California.**

**As of February 1990, the Commissioners representing the general public are:**

**Mim Andelson, Los Angeles;  
C. Thomas Dean, Long Beach;  
Henry Der, San Francisco;  
Seymour M. Farber, M.D., San Francisco;  
Rosalind K. Goddard, Los Angeles;  
Helen Z. Hansen, Long Beach;  
Lowell J. Paige, El Macero; *Vice Chair*;  
Cruz Reynoso, Los Angeles; *Chair*; and  
Stephen P. Teale, M.D., Modesto.**

**Representatives of the segments are:**

**Meredith J. Khachigian, San Clemente; appointed by the Regents of the University of California;**

**Theodore J. Saenger, San Francisco; appointed by the Trustees of the California State University;**

**John F. Parkhurst, Folsom; appointed by the Board of Governors of the California Community Colleges;**

**Harry Wugalter, Thousand Oaks; appointed by the Council for Private Postsecondary Educational Institutions;**

**Joseph D. Carrabino, Orange; appointed by the California State Board of Education; and**

**James B. Jamieson, San Luis Obispo; appointed by the Governor from nominees proposed by California's independent colleges and universities.**

## **Functions of the Commission**

**The Commission is charged by the Legislature and Governor to "assure the effective utilization of public postsecondary education resources, thereby eliminating waste and unnecessary duplication, and to promote diversity, innovation, and responsiveness to student and societal needs."**

**To this end, the Commission conducts independent reviews of matters affecting the 2,600 institutions of postsecondary education in California, including community colleges, four-year colleges, universities, and professional and occupational schools.**

**As an advisory planning and coordinating body, the Commission does not administer or govern any institutions, nor does it approve, authorize, or accredit any of them. Instead, it cooperates with other State agencies and non-governmental groups that perform these functions, while operating as an independent board with its own staff and its own specific duties of evaluation, coordination, and planning,**

## **Operation of the Commission**

**The Commission holds regular meetings throughout the year at which it debates and takes action on staff studies and takes positions on proposed legislation affecting education beyond the high school in California. By law, its meetings are open to the public. Requests to speak at a meeting may be made by writing the Commission in advance or by submitting a request before the start of the meeting.**

**The Commission's day-to-day work is carried out by its staff in Sacramento, under the guidance of its executive director, Kenneth B. O'Brien, who is appointed by the Commission.**

**The Commission publishes and distributes without charge some 30 to 40 reports each year on major issues confronting California postsecondary education. Recent reports are listed on the back cover.**

**Further information about the Commission, its meetings, its staff, and its publications may be obtained from the Commission offices at 1020 Twelfth Street, Third Floor, Sacramento, CA 95814-3985; telephone (916) 445-7936.**

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# FACULTY SALARIES

## IN CALIFORNIA'S PUBLIC UNIVERSITIES, 1990

### California Postsecondary Education Commission Report 90-10

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ONE of a series of reports published by the Commission as part of its planning and coordinating responsibilities. Additional copies may be obtained without charge from the Publications Office, California Postsecondary Education Commission, Third Floor, 1020 Twelfth Street, Sacramento, California 95814-3985.

Recent reports of the Commission include:

**89-25** *Overseeing the Heart of the Enterprise: The Commission's Thirteenth Annual Report on Program Projection, Approval, and Review Activities, 1987-88* (September 1989)

**89-26** *Supplemental Report on Academic Salaries, 1988-89: A Report to the Governor and Legislature in Response to Senate Concurrent Resolution No. 51 (1985) and Subsequent Postsecondary Salary Legislation* (September 1989)

**89-27** *Technology and the Future of Education: Directions for Progress. A Report of the California Postsecondary Education Commission's Policy Task Force on Educational Technology* (September 1989)

**89-28** *Funding for the California State University's Statewide Nursing Program: A Report to the Legislature in Response to Supplemental Language to the 1988-89 Budget Act* (October 1989)

**89-29** *First Progress Report on the Effectiveness of Intersegmental Student Preparation Programs: One of Three Reports to the Legislature in Response to Item 6420-0011-001 of the 1988-89 Budget Act* (October 1989)

**89-30** *Evaluation of the Junior MESA Program: A Report to the Legislature in Response to Assembly Bill 610 (Hughes) of 1985* (October 1989)

**89-31** *Legislation Affecting Higher Education During the First Year of the 1989-90 Session: A Staff Report of the California Postsecondary Education Commission* (October 1989)

**89-32** *California Colleges and Universities, 1990: A Guide to Degree-Granting Institutions and to Their Degree and Certificate Programs* (December 1989)

**90-1** *Higher Education at the Crossroads: Planning for the Twenty-First Century* (January 1990)

**90-2** *Technical Background Papers to Higher Education at the Crossroads: Planning for the Twenty-First Century* (January 1990)

**90-3** *A Capacity for Learning: Revising Space and Utilization Standards for California Public Higher Education* (January 1990)

**90-4** *Survey of Space and Utilization Standards and Guidelines in the Fifty States: A Report of MGT Consultants, Inc., Prepared for and Published by the California Postsecondary Education Commission* (January 1990)

**90-5** *Calculation of Base Factors for Comparison Institutions and Study Survey Instruments: Technical Appendix to Survey of Space and Utilization Standards and Guidelines in the Fifty States. A Second Report of MGT Consultants, Inc., Prepared for and Published by the California Postsecondary Education Commission* (January 1990)

**90-6** *Final Report, Study of Higher Education Space and Utilization Standards/Guidelines in California: A Third Report of MGT Consultants, Inc., Prepared for and Published by the California Postsecondary Education Commission* (January 1990)

**90-7** *Legislative Priorities of the Commission, 1990: A Report of the California Postsecondary Education Commission* (January 1990)

**90-8** *State Budget Priorities of the Commission, 1990: A Report of the California Postsecondary Education Commission* (January 1990)

**90-9** *Guidelines for Review of Proposed Campuses and Off-Campus Centers: A Revision of the Commission's 1982 Guidelines and Procedures for Review of New Campuses and Off-Campus Centers* (January 1990)

**90-10** *Faculty Salaries in California's Public Universities, 1990-91: A Report to the Legislature and Governor in Response to Senate Concurrent Resolution No. 51 (1965)* (March 1990)

**90-11** *Status Report on Human Corps Activities, 1990: The Third in a Series of Five Annual Reports to the Legislature in Response to Assembly Bill 1820 (Chapter 1245, Statutes of 1987)* (March 1990)

**90-12** *The Dynamics of Postsecondary Expansion in the 1990s: Report of the Executive Director, Kenneth B. O'Brien, March 5, 1990* (March 1990)

**90-13** *Analysis of the 1990-91 Governor's Budget: A Staff Report to the California Postsecondary Education Commission* (March 1990)

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