November 1, 2007

DEANS AND DEPARTMENT CHAIR
MEMBERS OF THE ACADEMIC SENATE

At its September meeting, the UC Board of Regents approved a four-year plan of salary increases with funding secured for the first year. This plan was generated by UC Office of the President (UCOP) in consultation with the systemwide Academic Senate and selected faculty administrators. The plan was outlined in a September 25 letter from President Dynes to the Chancellors, which identified funding for three aspects of faculty salary increases:

1. the regular merit advancement process
2. an approximately 2.5% COLA (sometimes referred to as range adjustment)
3. a Market Adjustment to the salary scales

This memorandum addresses the second and third of these aspects. Funding for scheduled merit increases is secure and will be implemented as in the past.

We are pleased that the Regents took action to strengthen UC’s position in the academic marketplace. Faculty recruitment and retention have long been high priorities for the Berkeley campus and market salaries are a critical element. The expectation is that, over time, raising the salary scales will reduce the need to hire faculty with off-scale or decoupled salaries. Please note that henceforth, we will refer to all salaries not on step as off-scale.

While implementing the new UCOP scales, we have decided, in consultation with the Academic Senate Committee on Budget and Interdepartmental Relations, to invest substantial sums of monies in additional augmentations. In all, the following increases are being implemented.

1. The COLA will apply to all faculty titles across the board. Moreover, this year we will calculate the 2.5% increase on the faculty member’s total salary (base + off-scale and/or decoupled increment, if applicable), not just on the base, which had been the practice for many years.

2. Full professors who are in the Above-Scale rank will receive a total COLA/Market Adjustment of 3.9%, in recognition of their level of accomplishment during their long careers at UC Berkeley.

3. The UCOP Market Adjustment to the salary scales is a new feature designed to bring the UC salary scales closer to our comparison institutions and is an attempt to restore the integrity of the merit based rank and step system of faculty advancement. Therefore, we have supplemented the UCOP adjustments in order to not disadvantage faculty who are off-scale between steps. Faculty who are currently on scale, as well as faculty who are off-scale between steps, will receive the highest percentage increases in their total salary. Faculty who are currently between steps will be placed at mid-way on the new scale. Faculty who are currently between steps at $100 below the next step, with the important exception of faculty who are at threshold steps (Assistant Professor VI, Associate Professor V, Professor V, and Professor IX), will be moved up to the next step on the new scales. Assistant Professor VI, Associate Professor V, and Professor V who are $100 below the next threshold step will be raised to $100 below the threshold on the new scales.

4. Faculty who are at Professor Step IX off-scale will receive the 2.5% COLA on their total salary plus an additional off-scale increment of $2,500.

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On the Berkeley campus, we have adopted, in recent years, two separate compensation modifiers to track the portion of compensation which exceeds the published on-scale rate: (1) off-scale (o/s midway or $100 below the next step), and (2) decoupled increments of varied sizes. For example, a faculty member may be identified as being at Associate Professor, Step II, half-way between Step II and Step III. Or the same associate professor might be at step II with a salary that exceeds the salary of Step III (i.e., decoupled). The rank and step, as well as off-scale notations, reflect career achievements in our merit system, while the decoupling is a means for adjusting salary in response to market pressures.
The Table below illustrates how varied options would work for a hypothetical Professor Step III. In the examples below, each individual has a different compensation structure through a combination of on-scale salary rates, off-scale components and/or decoupled increments. In all of the examples, the faculty will experience an increase in total compensation.

<table>
<thead>
<tr>
<th>CURRENT RANK &amp; STEP</th>
<th>CURRENT RANK &amp; STEP SALARY</th>
<th>DECP LD INCR</th>
<th>CURRENT TOTAL SALARY</th>
<th>RANGE ADJUSTED 10/01/07</th>
<th>NEW MARKET BASE</th>
<th>OFF-SCALE/DECPLD</th>
<th>NEW STEP</th>
<th>FINAL 10/01/07 SALARY</th>
<th>% INCR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professor III</td>
<td>$81,800</td>
<td>0</td>
<td>$81,800</td>
<td>$83,800</td>
<td>$89,900</td>
<td>0</td>
<td>Professor III</td>
<td>$89,900</td>
<td>9.9%</td>
</tr>
<tr>
<td>Professor III o/s midway</td>
<td>$85,300</td>
<td>0</td>
<td>$85,300</td>
<td>$87,400</td>
<td>$89,900</td>
<td>$3,300</td>
<td>Professor III</td>
<td>$93,200</td>
<td>9.3%</td>
</tr>
<tr>
<td>Professor III o/s &lt;$100 below</td>
<td>$88,600</td>
<td>0</td>
<td>$88,600</td>
<td>$90,800</td>
<td>$96,400</td>
<td>0</td>
<td>Professor IV</td>
<td>$96,400</td>
<td>8.8%</td>
</tr>
<tr>
<td>Professor III decoupled</td>
<td>$81,800</td>
<td>$11,700</td>
<td>$93,500</td>
<td>$95,800</td>
<td>$89,900</td>
<td>$5,900</td>
<td>Professor III</td>
<td>$95,800</td>
<td>2.5%</td>
</tr>
<tr>
<td>Professor III &lt;$100 below and decoupled</td>
<td>$88,600</td>
<td>$21,400</td>
<td>$110,000</td>
<td>$112,700</td>
<td>$96,400</td>
<td>$16,300</td>
<td>Professor IV</td>
<td>$112,700</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

The Market Adjustment applies to the Regular, Business/Economics/Engineering, and Law salary scales and impacts the following series: Professor, Professor-in-Residence, Adjunct Professor, Clinical Professor, Professor of Clinical _____, and Agronomists. In addition, faculty in the Department of Economics will now be paid from the Business/Economics/Engineering scale. The movement to this scale will occur concurrent with the market adjustment process.

The effective date for the COLA and market adjustment is October 1, 2007. The 2.5% COLA already has been implemented [See the announcement dated October 24, at https://mossberg.berkeley.edu/CalMessages/display_message.asp?d=10/24/2007&s=100] so that the increases will be reflected in the November 1 checks; the market and other adjustments described in this document will be implemented as soon as possible, with a goal to have any increases reflected in the November 30 paycheck, including retroactive pay for the month of October.

The new scales have been issued and are available at the Academic Personnel website: http://apo.chance.berkeley.edu/scales0708.html

The letter from President Dynes to the Chancellors can be found at http://www.ucop.edu/acadadv/acadpers/welcome.html

In closing, we want to reiterate that the above implementation reflects only the first year of a four-year plan of faculty increases. Assuming funding is available, the Regents and UCOP plan to further raise scales and salaries in the next three years through a combination of COLA’s and differential raising of the scales. Plans, if funded, call for larger COLA’s in the third and fourth years of the program.

George W. Breslauer
Executive Vice Chancellor and Provost

Sheldon Zedeck
Vice Provost, Academic Affairs
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