November 14, 2012

Robert Powell
Chair, Academic Council

Re: Negotiated Salary Pilot Program

Dear Bob,

Thank you for the opportunity to review and opine on the Negotiated Salary Pilot Program. Upon receipt of the report, I requested review by all Faculty Executive Committees, the Committee on Diversity and Equal Opportunity (CODEO), the Council on Planning and Budget, the Faculty Welfare Committee, and the Council on Academic Personnel (please see attached). Among all of the responses, only CODEO was supportive of the program. The School of Nursing raised no objections to others participating in the program, but was not interested in becoming a participant. All other responses were, on balance, in the negative.

As addressed in our system-wide discussions, faculty members were confused about this pilot program. Many were concerned that the issues raised about 668 were not adequately addressed. Faculty at UCLA questioned if the pilot would be allowed to go forward for data collection purposes if it was supported and endorsed by some units or campuses but not others.

This letter constitutes the response of the Executive Board, which speaks for the campus on such matters. Although some members Executive Board did not oppose, in principle, a pilot negotiated salary program, the majority did not endorse the current one as written. The Board raised the following concerns:

- The proposed pilot program is not structured to provide information that would speak to the program's eventual implementation throughout the system, including generalizing to other campuses.
- Some noted that a longer pilot would be necessary to provide a better judgment as to the success of the program.
- The Board was concerned that the pilot did not include adequate metrics by which to declare the pilot a success or failure, especially as it impacts students. These metrics are needed prior to any launch.

Please do not hesitate to contact me should you have any questions.

Sincerely,

Linda Sarna
Chair, UCLA Academic Senate

Cc: Martha Kendall Winnacker, Executive Director, Academic Senate
    Jaime R. Balboa, Chief Administrative Officer, UCLA Academic Senate
November 06, 2012

To: Linda Sarna  
Academic Senate, Chair  

From: Francisco Ramos-Gomez, DDS;MS:MPH  
Committee on Diversity and Equal Opportunity, Chair  

Re: Negotiated Salary Plan Pilot  

The Committee on Diversity and Equal Opportunity reviewed and thoroughly discussed the proposed Negotiated Salary Plan Pilot Program. There was overall support for the plan as well as some concerns expressed. After thorough review, the Committee offers the following observations:

**Positive Aspects of the plan:**

- Level playing field in regards to salary
- Increase resources and promote multidisciplinary approaches
- Assist and challenge faculty to be more entrepreneurial and collaborative
- Assist with retention of faculty and the ability to remain competitive with other world class universities
- Benefit departments - would bring in extramural funding and lessen dependency on state funding

**Concerns:**

- Dean/Department Chair could impair salary negotiations if they had “approval/control”
- Disparities (salary) could exist (it was noted that the SOM already contribute to a pool for all to share “social service”)
- Different areas of scholarly work could be valued differently depending on access to extramural funding associated with the discipline
Specific programs could be affected negatively due to lack of available funding in that discipline

How would resources be appropriated/distributed in an equitable way

The committee looks at this proposal favorably since it is a demonstration project that looks at each campus individually and based on their own needs, but would like to propose an ongoing monitoring and tracking of the execution plan with data that is shared with our CODEO members on a regular basis.

Cc: Jaime Balboa, Chief Administrative Officer, Academic Senate
Dottie Ayer, Assistant to Chief Administrative Officer, Academic Senate
Carolynne B. Hogg, Principal Policy Analyst, Academic Senate
Carole Goldberg Vice Chancellor of Academic Personnel.
November 2, 2012

Professor Linda Sarna
Chair, UCLA Academic Senate

Re: Council on Planning and Budget Response to Negotiated Salary Pilot Plan

Dear Professor Sarna,

The Council on Planning and Budget (CPB) discussed the Negotiated Salary Plan (NSP) pilot proposal at our meeting of October 22, 2012. This plan follows the same overall structure of the previously reviewed (2011) APM 668 proposal to provide campus faculty that are not part of the Health Science Compensation Plan a mechanism to develop a negotiated salary component of up to 25% of their core salary (base + off-scale). In response to the serious concerns expressed last year regarding APM 668, the NSP Taskforce proposed the current pilot to be implemented in a four-year trial at UCI, UCLA, and UCSD. Key to the pilot program is collection of outcomes data to reflect the impacts on retention, teaching, graduate and post-graduate student funding, nature of salary funding sources and a variety of faculty characteristics. It is noted that the negotiated salary cap has been raised to 30% in the new pilot proposal.

The NSP proposal was recognized by CPB to have potential merit in providing an avenue for improving faculty salaries outside the limited resources of our general funds, for retention, reward, and recruitment. Additionally, merit increases would still follow the same path of peer-evaluation. However, considerable concern remains that the negotiated salary (NS) is under the purview of Chairs and Deans, and not under the oversight of our peer-review process. While we recognize that direct negotiations with Deans over salary occur, the NSP is seen as accelerating this process. When the salary source comes from the individual effort of a faculty member, like an extramural grant as a principle investigator, there is a direct relationship between performance and reward. However, if the allocation of salary funding is derived from a department source or group effort (like revenue from a self-supporting program), issues of fairness and favoritism are likely to be raised. Without peer-review of the NSP, transparency is lost.

CPB recognized additional issues discussed in our previous review, which were also noted by the Taskforce. The NSP may produce a shift in faculty focus as they chase the most likely sources of salary funding, there may be reallocation of endowment funds to salary instead of support for students and research, and there may be increased disparity among faculty, even within the same department.
The NSP Taskforce envisions the pilot implementation as providing assessment of the concerns described above. However, there are a number of serious flaws in the proposal. The three pilot sites are all campuses with a health science program and the corresponding compensation program. The prior familiarity with a similar salary program may lead to a very different result than what might be expected to occur in divisions that do not have health sciences. Since departments will only selectively participate, the pilot does not appear to be able to assess the impact on both departments and individuals not participating. It will be difficult to assess what are expected to be medium to long-term impacts in the relatively short three-year primary report. And, if the pilot ends up being terminated, there does not appear to be any planning on how the changes, and perhaps damage to individuals, would be unwrapped. One of the most serious flaws mentioned in our discussion is the lack of outcomes based on the changes in academic experience from both participating and non-participating faculty, and staff and student perspectives. Since the Faculty Welfare Committee has ongoing survey protocols for faculty welfare, they should be consulted to consider additional questions that would provide insight into the impact on the broad faculty of the NSP program sites. If the NSP proposal is adopted at UCLA, the framework for local implementation should take into account all of these issues.

In summary, the need to think creatively about increasing salary support in these difficult times is clear to CPB. However, the concerns expressed over APM 668 have not been sufficiently addressed in the NSP pilot proposal, and the trial plan appears to have significant flaws that may significantly skew interpretation of the results. Because of these concerns, CPB does not support the implementation of the NSP pilot program at UCLA.

Sincerely,

Neal Garrett
Chair, Council on Planning and Budget

cc: Jan Reiff, Vice Chair, Academic Senate
    Andy Leuchter, Immediate Past Chair, Academic Senate
    Jaime Balboa, Chief Administrative Officer, Academic Senate
    Linda Mohr, Assistant Chief Administrative Officer, Academic Senate
    Members of the Council on Planning and Budget
November 5, 2012

To: Linda Sarna  
Chair, UCLA Academic Senate

From: Gerald Kominski  
Chair, UCLA Faculty Welfare Committee

Re: Senate Item for Review: Negotiated Salary Plan Pilot Program

The UCLA Faculty Welfare Committee discussed the Negotiated Salary Plan Pilot Program at their meeting on October 2, 2012. The Committee does not endorse, nor oppose the proposal as written.

Most members are concerned that this proposal represents a concession that the state is no longer responsible for paying adequate faculty salaries. By conceding a reduced state commitment to funding faculty salaries, faculty believe the proposal will lead to further erosion of the state’s obligation to provide financial support to the UC system in the future.

Other members support the proposal as the most immediate and effective mechanism for increasing faculty salaries among those engaged in extramurally funded activities that contribute to the training and teaching mission of the university.

Although salaries disparities already exist between faculty who earn summer ninths and those who don’t, the proposal would increase those disparities, and could result in further intended consequences regarding relative teaching and service workloads for participating versus non-participating faculty.

Should you have any questions, please feel free to let me know.

cc: Jaime Balboa, Academic Senate Chief Administrative Officer  
Dottie Ayer, Academic Senate Policy Analyst
November 06, 2012

To: Linda Sarna, Chair
    Academic Senate

From: Council on Academic Personnel

RE: Proposed APM 668 – Negotiated Salary Plan

CAP has reviewed the Taskforce report on a negotiated salary plan for the general campus and has no further comment at this time.
MEMORANDUM

November 2, 2012

To: Jaime R. Balboa
   Chief Academic Officer, UCLA Academic Senate

From: Dominique M. Hanssens
   Chair, UCLA Anderson Faculty Executive Committee

The UCLA Anderson Faculty Executive Committee (FEC) met on Friday, October 26, 2012 to review and discuss the following five Academic Senate items:

• Open Access Proposal Policy
• Revised APM – Leaves of Absence/General
• New APM – Visiting Scholars
• Negotiated Salary Pilot Plan
• Re-benching Report

After review and discussion, the FEC agreed that they had no comments to provide in relation to the Open Access Policy, and the new Academic Personnel Policy 430 - Visiting Scholars. With respect to the three remaining items, they wished to relay these comments:

Revised Academic Personnel Policy 700 – Leaves of Absence/General, Presumptive Resignation: Suggest that absence from duty be defined as a 60-day period rather than 30 days, following the expiration of an approved leave or 30-day absence from academic duty without approval. The FEC endorses this proposal.

Negotiated Salary Pilot Plan: A concern was raised that the proposed plan institutionalizes inequity and promotes a compensation (rather than excellence) based culture. The University’s focus should be on excellence in research and teaching. This proposal also removes the first and last tiers of the evaluation system (Faculty, Chair, Dean and AVC) of academic work and teaching contribution. The removal of the first tier, wherein the greatest level of scrutiny occurs, is particularly disturbing as it opens up the system to non-transparent side deals. The FEC does not endorse this proposal.

Re-benching Report: The FEC agreed that they support UCLA’s opposition to this proposal.

Please let me know if you require any further information.

c: R. Bucklin, Faculty Chairman & Deputy Dean, Academic Affairs, UCLA Anderson
   J. Olian, Dean & John E. Anderson Chair, UCLA Anderson
Thank you on behalf of the College Faculty Executive Committee for the opportunity to review and opine on the proposed Negotiated Salary Pilot Plan for UCLA, UCI, and UCSD. We discussed the proposal at our October 19, 2012 meeting and after a lengthy and lively discussion, voted to reaffirm our opposition to the Plan both at UCLA and at the other campuses and urge the Senate to oppose it as well (6 approve, 1 oppose, 0 abstain).

The committee does not wish to revisit the concerns and questions it expressed in last year's response (a copy is attached for reference), except to point out that UCOP did not respond in any substantial way to the concerns of the divisional senates. While some minor clarifications were made in the margins, the trial program, like the original program, continues to be ambiguous about the possibility of various tuition and fees being used for the program. Moreover, insofar as the proposal retains the idea that the supplemental funds will be counted towards summer 9ths, it is impossible to know with certainty whether general funds will not be involved. We mention this simply to underline the continuing ambiguities present in the proposed program and the extent to which — on the substantial questions raised by the FEC (and indeed the larger Senate) last year, UCOP has responded by offering essentially cosmetic changes.

Clearly, the most significant change in the proposal is its redefinition as a “trial” program. The strong majority of the FEC found the trial inadequate to address the questions that had been raised. Following are the Committee’s specific objections:

1) The proposed “trial” is untenably vague regarding metrics or process of evaluation. Although the proposal does include a variety of questions that will be asked, there is no indication of what would constitute success or failure. Moreover, despite the many questions raised last year about the effects of the Salary Supplement Plan on campuses as a whole, the proposed qualitative evaluation consists of little more than asking participants if they benefited enough to be satisfied with the program. We fail to see how this is an adequate system of evaluation. There is no indication that the review process will include a wide range of faculty and Senate comment. In the end, the review process is not designed to meet the larger questions raised.

2) Even if the metrics and process were more adequately defined, the Committee is unable to see how, what is effectively a 3 year trial can answer the questions about the mid- to long-range impact of the Program that lay at the heart of many objections to the original program. As you will recall, the FEC and others raised questions about the ways that the proposal would increase the burden on faculty to
raise their own salaries, create new inequities between faculty, and alter the overall structure of faculty compensation. No one suggested that these changes were likely to be clear in a few years. As a result, it is difficult to see how the trial program will allow meaningful metrics. It appears that the “trial” is all but designed to solicit a positive response to the proposal.

3) We are also skeptical about the proposal to place the “trial” at selective campuses. We recognize that this part of the proposal likely is connected to the presence of significant Health Science programs on the selected campuses. But that logic suffers from two separate flaws. First, as the FEC discussed the proposal and also learned more about the Health Science Salary Program, we were impressed by how inappropriate it is to compare the situation in the Health Sciences with the proposed program for the general campus. There is a more collective sharing of revenues (especially clinical revenues) in the Health Sciences, which means that their salary program contains a large collective and unifying quality. In the case of general campuses the program would function in the opposite way—separating out faculty even more based on their place either in particular departments running SSPs or based on their funding source. Second, and just as importantly, faculty in the Health Sciences at UCLA (and by our best information at the other Health Science campuses) remain rigorously on-scale in their salaries. A far different system applies on the general campus where off-scale salaries are common because of the inadequacies of the basic salary scales. Deans on the general campus already have many tools at their disposal to secure recruitment and retention. We are skeptical of adding one more layer of individual negotiation to a system where individual negotiation is already prevalent. Moreover, the proposed “trial” is designed to test the possibility that the supplemental salary program will be placed in the APM where it would affect all campuses. We are unconvinced of the logic of trying out a program on campuses with particular and unusual characteristics and then using that particular experience to make policy for all campuses.

As we indicated last year, we recognize that this proposal has come about because of specific issues relating to faculty at the interface of the Life and the Health Sciences. But we remain convinced that the University would be wiser to formulate a strategy narrowly focused on that problem than to introduce a program that would create systematic effects across entire campuses.

The FEC would like to raise one final point—many members were surprised to be asked to consider essentially the same program a year after the divisional senates overwhelmingly rejected it. Although we recognize the Senate’s role is advisory, we wish to impress upon the President’s office that shared governance calls for serious, responsive, consultation with the Faculty. In light of the substantial opposition voiced to the proposal, we urge the Office of the President not to proceed with this endeavor.

As always, our membership appreciates the consultative process and welcomes the opportunity to opine on important matters like this. You are welcome to contact me at meranje@history.ucla.edu with questions. Kyle Stewart McJunkin, Academic Administrator, is also available to assist you and he can be reached at (310) 825-3223 or kmcjunkin@college.ucla.edu.

cc: Jaime Balboa, Chief Administrative Officer, Academic Senate
Lucy Blackmar, Interim Associate College Dean, College of Letters and Science
November 3, 2011

To: Andrew Leuchter, Chair  
   Academic Senate

From: Michael Meranze, Chair  
   UCLA College Faculty Executive Committee

Re: College FEC response to the proposed revision of APM 668 (Negotiated Salary Program)

Thank you on behalf of the College Faculty Executive Committee for the opportunity to review and opine on the UC Office of the President’s proposal to revise Academic Personnel Manual 668 (Negotiated Salary Program). We discussed the proposal over email and at our October 28, 2011 meeting. On October 31, 2011, a formal faculty vote to endorse the comments of this letter was conducted electronically (10 approve, 1 oppose, 2 abstain). In its present form, the FEC membership expressed strong opposition to the proposed policy. The FEC concluded that the policy would not improve underlying problems relating to salary scales and retention while its ramifications could threaten the overall health of the University’s core functions. Indeed, there is a risk that the NSP would undermine the shared salary system further and potentially deplete resources from the College.

The following summarizes the FEC’s attempts to capture the tone of our discussion:

1. The FEC recognizes the intent of the NSP to address the degradation in the salary scales that has resulted from the failure to maintain competitive salaries as well as the unique challenges faced in retention of some faculty in the Life Sciences. However, the proposal does not address these issues in a helpful and uniform way. Unlike the Health Sciences Compensation Plan (which is a distant model) NSP cannot rely upon a consistent and large non-state funding stream in clinical activities. Moreover, in the Health Sciences clinical funds are shared within a department at least to some extent so that it has the effect of allowing for a common stream of effort and funds. The NSP is the opposite of this system: there is no consistent shared funding stream, nor does it make the process of extra salary more transparent. Under the proposed NSP, negotiations are essentially private between faculty, chairs and deans. Unlike departmental pooling, this proposal would in fact simply institutionalize divisions within departments.

2. The NSP proposes to provide a means for individual faculty members, who have access to non-state funds, to lock in a salary boost negotiated in 1-2 year intervals. The proposal assumes that these funds come from external grants, endowments, self-supporting programs, consulting; however, the FEC believes there may be legal questions about the use of these funding sources. Even according to the materials provided by UCOP, it is clear that the possibility of using grant funding depends greatly on the funding agency. Thus, access
to the NSP will depend not only on obtaining grants, but also on the type of agency providing the funds. The arbitrary nature of who can participate may very well increase the inequities among faculty.

3. The committee was also deeply concerned about the funding source for the salary boost and for the NSP "insurance funds." One of the proposed benefits of the proposal would be to allow the negotiated salary to be used as a basis for the calculations of summer ninths. A second is that faculty would be guaranteed their salary boost even if their external funding source disappears. Both threaten to divert core funding into supporting the NSP.

4. If negotiated salary is used as a basis for the calculations of summer ninths, an increase in the cost of summer ninths could lead to the use of core state funding to ensure the contracted obligations. Although the proposal suggests that an “insurance fund” would be created from a “tax” on those participating, there is no guarantee that this would prove sufficient or that funds would only come from this source. Instead, it remains possible that core state funds could be drawn upon to maintain the NSP.

5. The FEC also has deep concern that the proposal will intensify the pressure on faculty to spend time seeking external grants and further damage the University’s overall fiscal situation. As both UCOF and UCOP have admitted, on the level of the university external research is a cost, not a profit center, for the University’s budget. The proposal then would, if anything, increase the pressures on the budget and the cross-subsidization that occurs between lower cost and higher cost activities.

6. The FEC also believes that the program treats non-state sources in accord with an outdated sense of how University gains its revenues. In an increasingly tuition driven university the notion of “non-state” funds in the proposal seems dangerously vague and unrealistic. It is no longer the case that grants, contracts, endowments are the largest non-state funds. Instead the largest single funding resource on campus is a non-state revenue source: student tuition. Yet, the NSP would shift the burden of salaries onto professors in such a way that would compel them to engage their time in efforts that would draw them away from their core commitments.

7. The NSP and other initiatives out of UCOP (such as the encouragement of self-supporting programs) raises questions about the relationship between these new activities and core educational tasks as faculty assume more and more responsibility for developing sources of non-state funding. Although the proposal insists that the NSP would not affect the Faculty’s traditional responsibilities, it is hard to see how this would actually work in practice. Given that these funds are no longer to replace lost salary (salary that can then be used for other things) the individual faculty member (at least those on grants or engaging in self-supporting extra work) would have to increase their workload dramatically. The proposal says nothing about what might suffer in quality if this happens, nor does it speak about increasing pressure on faculty to participate in these sorts of extra-activities.

8. The proposal then, does not fix the problems in the traditional salary scales and the burden on the University to find ways to raise them as a means of remaining competitive. Instead, it shifts the burden of rectifying problems with the salary scales onto individual faculty. Moreover, the proposal would legitimate the idea that general campus faculty should not operate under one common review process. The NSP runs the risk of diverting funds raised
from the state and tuition onto a limited domain of externally funded activities, and rather than acknowledging the realities of cross-subsidization, the NSP perpetuates an out of date notion of the ways that revenue and costs are actually distributed.

Our membership appreciates the consultative process and welcomes the opportunity to opine on future drafts or responses to the issues highlighted in this letter. In the meantime, you are welcome to contact me at meranze@history.ucla.edu with questions. Kyle Stewart McJunkin, Academic Administrator, is also available to assist you and he can be reached at (310) 825-3223 or kmcjunkin@college.ucla.edu.

cc: Jaime Balboa, Chief Administrative Officer, Academic Senate
    Lucy Blackmar, Assistant Vice Provost, Undergraduate Education Initiatives
Dear Jaime:

Thank you for the email today including the letter from Carole Goldberg and note from Linda Sarna. The FEC of GSEIS remains opposed to the Negotiated Salary Program Pilot Plan. Below is our rationale.

The faculty of GSEIS held an All Academic Personnel meeting last spring to discuss the Negotiated Salary Program. We had the following thoughts:

- The plan was unanimously rejected without reservations or qualifications. While the faculty recognize that the Health Sciences and Medical faculty may need to have a Negotiated Salary Program to meet their needs, the extension of such a plan to GSEIS would have a negative impact on the culture, operations, and with regard to faculty governance.

- We saw no evidence anywhere in the Plan that the concept of the "Common Good" would be part of considerations for the ways in which revenue allocated to salaries under a Negotiated Plan. Quite the contrary, a "rich get richer" entrepreneurial culture would be encouraged. If this Plan were to go ahead, some provision for returning a percentage of additional revenues to support School programs and infrastructure seems essential.

- The burden of supervision on Chairs was deemed excessive, since monitoring the Plan each year and taking care of accounting and review procedures adds another layer of extra administrative work. In particular, being sure that recipients of Negotiated Salary agreements continue to meet their service and teaching responsibilities would be particularly irksome.

- This plan would appear to increase the role of department chairs in determining the quality of faculty performance and relegate review by faculty peers to a secondary role, if only because it occurs only half (or a third) as often. This is particularly worrisome as the administration seems to be moving relentlessly toward implementing a massive, searchable database of data about individual faculty members (Opus) that is specifically being tailored to the demands of...
administrators who want more, and more granular, information, available on a 24-7 basis, about individuals to support their assessments of individual faculty performance. Together these two management tools, Opus and the NSP, could effectively undermine or even sideline meaningful peer evaluation of faculty, which is the fundamental principle of faculty governance.

- The NSP would also exacerbate one of the oldest salary equity problems in universities, so-called "salary compression" -- that is, a cohort problem in which those hired earlier, at lower salaries, never advance fast enough up the salary scale to reach equity with younger scholars hired more recently, creating enduring gaps in pay scales that get worse and more intractable over time.

All in all, we saw no benefit whatsoever to GSEIS and saw many negatives. We are therefore not only opposed to seeing the Pilot Plan implemented, but seriously disturbed that the recommendation of the Academic Senate seems to have been put aside in spite of consensus against the Plan.

Other concerns were raised at the CFC. These included:

- A concern that the terms of assessment for the Pilot Plan have not been well considered and that assessment will be self-selecting, focused on those participants who were successful, and that the broader impacts on non-participants will not be taken into account.
- A concern that the time frame of three years is inadequate to gauge the full impact of what we perceive to be structural inequities that will emerge as a result.

Johanna Drucker
Martin and Bernard Breslauer Professor of Bibliographical Studies
Dear Jaime,

I am responding to your call for comments on the Negotiated Salary Pilot Plan.

The HSSEAS FEC is not in favor of such a plan. While it may look appealing on the surface, it essentially goes counter to what is thought of as the general compensation plan of the University of California. It is a clear case of "the rich get richer" while "the poor get poorer." The University's strength lies in its ability to move all faculty forward in lock step, subject to very few exceptions. The proposed plan allows those with access to external funds to pay themselves more salary. No account seems to have been paid to those for whom access to such funds is not available. It will create at least two distinct classes of faculty and is bad for morale. Instead, we feel it would be better to continue to seek ways to adjust the salaries of all faculty. Moreover, mechanisms are already in place to implement such a policy whereas the amount of extra work involved for the proposed plan is excessive.

Best,
Alan Laub, Chair of the HSSEAS FEC
November 4, 2012

Linda Sarna-Chair, Chair, UCLA Academic Senate

Re: Negotiated Salary Pilot Plan

Dear Linda,

Thank you for the opportunity to opine upon the review of the proposed UC Negotiated Salary Pilot Plan. I have shared the proposal with the School of Nursing Faculty Executive Committee and the Faculty. The School of Nursing supports the recommendation that was outlined in the Negotiated Salary plan for the general campus task force report. While we have no desire to participate in the negotiated salary plan pilot program, we have no objections to UCLA’s participation in such a pilot program. Further, we have no objections to other UCLA units participating in the pilot program.

Thank you again for the opportunity to review and opine on this matter. Please do not hesitate to contact me if clarification or elaboration is required.

Sincerely,

Barbara Bates-Jensen
Faculty Executive Chair, School of Nursing
To Linda Sarna, Chair, UCLA Academic Senate

From Mark A. Peterson, Chair, Luskin School of Public Affairs FEC

Concerning the Proposed General Campus Negotiated Salary Trial Program

November 1, 2012

The Faculty Executive Committee of the Luskin School of Public Affairs has reviewed the proposed "General Campus Negotiated Salary Trial Program." In this opinion, we are not commenting on the merits of the negotiated salary idea itself, which we leave to the ample campus assessments conducted in response to the previous incarnation. Rather, given our collective professional expertise in program design and evaluation, we wish to comment on core features of the Trial design, and the "comprehensive three-year review" to "assess whether the Trial Program has helped UC meet University goals effectively."

We appreciate the objectives of launching a pilot initiative. The proposed Trial has the potential to yield useful information about the how a Negotiated Salary Program might operate if it were adopted permanently system-wide. Based on the information we were provided for review, the design of the Pilot seems sensible for meeting some objectives, but perhaps not all. We have concerns about two significant issues that the Pilot as conceived, even if well implemented, is unlikely to be able inform. One has to do with the four-year duration of the initiative. A relatively short-term Pilot cannot answer important questions about what the mid- and long-term effects of adopting the Negotiated Salary Program broadly would be on campus norms and perceptions. The second concern has to do with the scope of the “intervention,” which is limited to three UC campuses and does not have a systemic mechanism, beyond voluntary action, for determining which units, schools, and departments will participate. Assuming the Trial goes forward, when the results are evaluated the Academic Senate must take care that questions that were difficult—or impossible—to study in the Pilot receive adequate attention in the decision about whether to move forward with the NSP at the end of the study period.

Of particular concern to us is how adoption of NSP system-wide might change norms and expectations about the role of University versus outside funds in recruitment and retention—and how such changes could affect not only recruitment and retention, but also teaching, faculty and student morale, and perceptions of equity across campuses and units. Recruiting and retaining first-rate faculty is considered a core function of the University, to be financed primarily with University funds. NSP adoption would represent an admission that the University does not always have the resources required to compete for the best faculty. This is a pragmatic consideration (and in some sense not entirely new), but we do run the risk that the Plan could further erode the expectation that it is the responsibility of the University, and not outside
funders, to put together the resources necessary to maintain a first-rate faculty. A shift in the norm/expectation such that units or departments are expected to raise private funds to finance their most productive faculty as a matter of course would represent a fundamental change to the nature of faculty recruitment and retention, and could have far-ranging effects. While the possibility of enhancing one's compensation through NSP might make UC more attractive to some potential faculty, the notion that the only way to make a competitive salary in the UC system is to pull together outside funding might deter others. Such a change would clearly have uneven effects across the campuses in the UC system and across units and departments within each campus, because some are far more able than others to raise outside funds for this purpose. Such a program may assist the recruitment or retention of top flight faculty in, say, the physical sciences and the law school, but prove detrimental in the humanities and some social sciences.

Thus we are left with a rather profound question: If adopted system-wide, would NSP substantially change norms about how the core functions of recruitment and retention are financed, with the risk of adverse affects, or would it operate as a small, add-on program affecting only a few star faculty? What would be the effects of such a change on support for non-participating faculty compensation, recruitment and retention, morale, and equity? We do not currently know the answers to these questions, and, given the duration and scope of this pilot initiative, the "comprehensive three year review" of the Trial necessarily will be unable to answer them.

Another challenge of this Pilot, like all others, is to penetrate a system, institution, or culture at the level necessary to mimic the effects that would occur should the intervention be adopted permanently and system-wide. The number, range, and character of the units participating in the Trial may not be sufficient to create recognizable and measurable impacts on perceptions and actions on the campuses beyond the immediate issue of whether individual faculty members stay at the UC or accept offers of appointment when recruited.

We should emphasize, too, that in addition to being unable to capture all the potential long-term costs of the NSP, the comprehensive review of the Trial may also miss some of the long-term benefits. For example, the data collected on recruitment and retentions will be only for those who participated. If, however, the NSP enhances the expectation that UC is a place where productive faculty can be well-compensated during their careers, the program could make UC more attractive to younger faculty even if they do not expect to participate in NSP for some years to come. The data from the Pilot are unlikely to be able to capture such effects even in the short run, much less the long run.

We want to reiterate that we are not taking a formal position for or against a negotiated salary plan, or in favor or opposition to conducting the Trial and collecting what could be quite useful data before further considering adding NSP to APM system-wide. We do wish to emphasize the limitations of this (and any) short-term and confined-scope pilot program in answering key questions about the long-term effects of the program on the University community. We urge the Academic Senate to give these issues due consideration despite the inevitable lack of concrete answers to these questions based on hard data.
Response: We strongly oppose this initiative in its current state. While salary increases are much-needed, and external supplements to salary may, in some quarters, incentivize innovation, this initiative would: a) favor departments and schools better-positioned to attract external funding through economically viable 'products,' such as the sciences, marginalizing those lesser-positioned to do so, such as the humanities and arts; b) further salary inequities between individuals, departments, and schools within the university rather than improve faculty welfare, morale, and retention overall; c) reinforce harmful notions of the power of free enterprise to fix state problems; d) disincentivize state contributions to raise salaries across the board; and e) unduly concentrate power and resources in the hands of individual deans and chairs, with no peer review system. Our endorsement of this initiative would be contingent upon the creation of a university pool of external salary resources for which any faculty member in any department or division may apply, via a peer review system.