ITEM 10 DRAFT

California Postsecondary Education Commission

Faculty Salaries at California's Public Universities, 2006-07

March 2006

Based on a five-year trend, faculty salaries at the California State University could lag comparable institution salaries by 18% next year if no raises are given. University of California faculty could lag their counterparts by 14.5%.

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The Commission advises the Governor and Legislature on higher education policy and fiscal issues. Its primary focus is to ensure that the state's educational resources are used effectively to provide Californians with postsecondary education opportunities. More information about the Commission is available at www.cpec.ca.gov.

Draft Commission Report

The Commission regularly conducts a study on faculty salaries in California's public universities as compared with faculty salaries at comparable institutions. This study presents estimates of the percentage changes in faculty salaries that would enable California faculty to attain parity with their comparison groups in the coming fiscal year. The analysis is based on data from six of the eight University of California comparison institutions, and all 20 California State University comparison institutions.

Methodology

The faculty salary methodology includes two separate comparison institution groups – one each for the California State University and the University of California. The procedures by which the systems collect data and the techniques used to analyze those data have been developed by the Commission in consultation with the Commission's Faculty Salary Advisory Committee. The Committee includes representatives from the California State University, the University of California, the Department of Finance, and the Office of the Legislative Analyst. The California Faculty Association is included as an observer on the Committee. As a result, the faculty salary methodology is reflective of the views of all interested parties, rather than the vision of any single individual or agency.

This year's methodology is unchanged from the last several years; it consists of two primary elements: (1) collecting salary data from comparison institutions; and (2) a computational process that involves the weighting of several data elements by various factors, such as the number of faculty at each rank.

Display 1 shows the comparison institutions for the two university systems. The Commission's Faculty

Salary Advisory Committee formulated each list and in the more than 40 years that the survey has been conducted, each list has changed several times.

The computational process includes a determination of current average salaries, by rank, in both the California systems and the comparison institutions, with each rank's average projected forward one year based on the previous five-year growth rate. The projected 2006-07 average rank-by-rank salaries for the comparison institutions are then compared to the current-year State University and University averages. These averages are then combined into an "All-Ranks Average" for each comparison group and each California system and compared for the current and budget years. Comparing the projected average for the comparison group next year with the current-year average for the California system produces the budget-year "parity figure."

DISPLAY 1 Comparison Institutions

The California State University

Northeast Region
- Bucknell University*
- Rutgers, the State University of New Jersey, Newark
- State University of New York, Albany
- Tufts University*
- University of Connecticut

Southern Region
- Georgia State University
- George Mason University
- North Carolina State University
- University of Maryland, Baltimore County

North Central Region
- Cleveland State University
- Illinois State University
- Loyola University, Chicago*
- Wayne State University
- University of Wisconsin, Milwaukee

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

The University of California

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

* Independent Institution.

Source: California Postsecondary Education Commission.

Faculty Salary Trends

Display 2 shows the Commission's parity computations for the two public university systems, plus the actual salary increases granted, since the 1981-82 fiscal year.

During the first half of the 1980s, the parity figure between CSU and its comparison group was consistently smaller than the comparable figure for UC and its group. However, by the late 1980s, this situation had reversed. During the recession in the early 1990s, few faculty salary increases were funded in the State budget. This worsened the compensation deficiency between faculty at California's public institutions and their comparison groups to create the largest compensation disparity since the inflationary era of the 1970s and early 1980s. This year, the salary deficiencies are again approaching record levels with both systems facing double-digit differences in achieving parity with their comparison institutions.

When California moved from recession to economic boom in the mid 1990s, faculty received more competitive salary increases. As a result of this trend, the necessary percentage increase for parity diminished significantly at both university systems. However recent and anticipated budget constraints have reversed the trend once again. The lag for the State University increased from 16.8% in the current year to a projected 18% for the 2006-07 fiscal year. The University of California's parity gap during the current year was 13.9%, while the projected lag for 2006-07 has grown to 14.5%.

DISPLAY 2 Faculty Salary Parity Figures and Actual Increases

	The California State University		University of California	
Year	Parity Figure	Salary Increase	Parity Figure	Salary Increase
1981-82	0.5%	6.0%	5.8%	6.0%
1982-83	2.3	0.0	9.8	0.0
1983-84	9.2	6.0	18.5	7.0
1984-85	7.6	10.0	10.6	9.0
1985-86	N/A	10.5	6.5	9.5
1986-87	6.9	6.8	1.4	5.0
1987-88	6.9	6.9	2.0	5.6
1988-89	4.7	4.7	3.0	3.0
1989-90	4.8	4.8	4.7	4.7
1990-91	4.9	4.9	4.8	4.8
1991-92	4.1	0.0	3.5	0.0
1992-93	6.0	0.0	6.7	0.0
1993-94	8.5	3.0	6.5	0.0
1994-95	6.8	0.0	12.6	3.0
1995-96	12.7	2.5	10.4	3.0
1996-97	9.6	4.0	10.3	5.0
1997-98	10.8	4.0	6.7	5.0
1998-99	11.2	5.7	4.6	4.5
1999-00	11.1	6.0	2.9	2.9
2000-01	8.9	6.0	3.0	3.0
2001-02	7.9	3.2	3.9	0.5
2002-03	10.6	3.0	6.9	0.5
2003-04	11.6	0.8	9.2	0.0
2004-05	12.7	0.0	9.3	0.0
2005-06	16.8	3.5	13.9	2.0
2006-07	*18.00%*		*14.50%*	

Source: California Postsecondary Education Commission.

It is important to understand the meaning of these "parity" numbers. For example, when the Commission estimates a difference of 18% for State University faculty, it does not mean that its faculty was actually paid that percent less than their colleagues at comparable institutions. The parity number is a projection of a possible future (2006-07) salary increase at the comparison institutions based on observed trends over a five-year period, with the assumption that State University salaries would not increase at all in the 2006-07 fiscal year. Thus, the projected difference for 2006-07 can be quite different from the actual difference because the actual amount of salary increase that comparison institutions pay can be greater or less than projected. Further, any budget year salary increases provided to faculty at the University or State University could alter or eliminate the disparity between California institutions and their comparators.

The Parity Figures for 2006-07

California State University

Display 3 shows the parity calculations for the California State University for the current (2005-06) and budget (2006-07) years.

The "parity figure" for the State University system for 2006-07 is 18% - the percentage by which average salaries in the State University would have to increase to equal the average salaries projected to be paid by the comparison institutions in 2006-07. It indicates that the all-ranks average salary in the current year is about 16.8% below that currently paid by the comparison group. These calculations are based upon actual information received from the 20 State University's comparison institutions.

Displays 4 and 5 show rank-by-rank and institution-by-institution salaries for both the State University and the comparison group for 2000-01 and 2005-06. These data are used to determine the five-year compounded average growth rate that permits current-year salaries to be projected into the budget year. The shaded lines in both displays indicate the State University's position for each rank and for all ranks relative to the entire list. It shows that from 2000-01 to 2005-06, the average of all State University faculty dropped from 8th to 16th out of 21 in its ranking with the comparison institution counterparts. Without future increases, the State University is likely to drop even further in ranking in the next few years.

Broken out by level, faculty at the professor level dropped from 15th to 20th in its ranking, while the associate professor level fell from 8th to 15th, the assistant professor level fell from 10th to 17th, and the instructor level fell from 9th to 11th.

University of California

This report contains current-year data from six of the eight University of California comparison institutions. Data were estimated for the other two institutions by taking 95% of the five-year average rate of salary increases provided by those two institutions as prescribed by the University's methodology.

Display 6 shows the parity calculations for UC for both the current and budget years. For the University system, the methodology indicates a "parity figure" of 14.5%, which is the percentage amount by which UC faculty will lag their counterparts if no salary increase is granted for 2006-07. The display also shows that University average salaries lag the comparison group by 10.0% in the 2005-06 fiscal year.

Displays 7 and 8 presents 2000-01 and 2005-06 comparison institution data, by rank, and indicates that there is no change from last year in the public/independent relationship relative to faculty salaries – that is, each of the private comparison institutions pays more on average while each public comparator pays less. However, UC's average salary has dropped in relation to the lowest private comparison institution and come much closer to the highest public comparison institution. Without future increases, the University is likely to drop down in ranking in the next few years, losing its historic median ranking between private and public institutions.

The University's rank-by-rank position relative to its comparison institutions is still more consistent across all faculty groups than the state university's rankings. For example, the current year University all-ranks average is at the median (5th), with full professors ranked 6th, associate professors ranked 7th, and assistant professors ranked 6th.

DISPLAY 3 California State University Comparison Group Average Salaries, Projected Comparison Group Average Salaries, and Projected CSU Faculty Salary Percentage Increase Required to Attain Parity with the Comparison Group in 2006-2007

Academic Rank	Comparison Group Average Salaries 2000-2001	Comparison Group Average Salaries 2005-2006[1]	Compound Rate of Increase	Comparison Group Projected Salaries 2006-2007
Professor	$89,347	$105,496	3.4%	$109,060
Associate Professor	$64,715	$74,582	2.9%	$76,730
Assistant Professor	$53,208	$62,210	3.2%	$64,185
Instructor	$39,249	$44,046	2.3%	$45,073

Academic Rank	California State University Actual Average Salaries 2005-2006	Comparison Group Average Salaries Actual 2005-2006	Comparison Group Average Salaries Projected 2006-2007	Percentage Increase Required in CSU Average Salaries to Equal the Comparison Institution Average Actual 2005-2006	Percentage Increase Required in CSU Average Salaries to Equal the Comparison Institution Average Projected 2006-2007
Professor	$86,056	$105,496	$109,060	22.6%	26.7%
Associate Professor	$68,162	$74,582	$76,730	9.4%	12.6%
Assistant Professor	$57,071	$62,210	$64,185	9.0%	12.5%
Instructor	$42,941	$44,046	$45,073	2.6%	5.0%
Weighted by State University Staffing	$71,159	$82,460	$85,106	15.9%	19.6%
Weighted by Comparison Institution Staffing	$70,220	$80,672	$83,221	14.9%	18.5%
All-Ranks Average and Net Percentage Amount[2]	$70,924	$81,119	$83,693	14.4%	**18.0%**

Institutional Current-Year Staffing Pattern (Headcount Faculty)	Professor	Associate Professor	Assistant Professor	Instructor	Total
California State University	4,773	2,449	3,585	470	11,277
Percent	42.3%	21.7%	31.8%	4.2%	100%
Comparison Institutions	5,034	4,454	3,843	734	14,065
Percent	35.8%	31.7%	27.3%	5.2%	100%

1. Weighted 58% high-cost institutions, 42% low-cost institutions.
2. "All-Ranks Average" salaries are derived by weighting the State University and Comparison Institutions by 75% of their own staffing pattern and 25% of the comparison institution's staffing pattern.

Source: CPEC staff analysis.

DISPLAY 4 California State University Comparison Institution Salaries, by Rank, 2000-01

Institution	Professors			Associate Professors			Assistant Professors			Instructors			Total Faculty		
	No.	Average Salary	Rank	No.	Average Salary	Rank	No.	Average Salary	Rank	No.	Average Salary	Rank	No.	Weighted Ave. Salary	Rank
Institution J[1]	136	$109,511	1	119	$81,330	1	93	$62,664	2	35	$44,292	5	**383**	**$83,420**	**1**
Institution Q[1]	522	102,235	2	330	71,196	3	241	62,707	1	36	47,852	2	**1,129**	**82,991**	**2**
Institution B[1]	436	$95,969	5	339	$71,920	2	256	$56,193	3	19	$50,854	1	**1,050**	**$77,690**	**3**
Institution K	481	91,366	6	350	66,378	6	250	56,092	4	17	41,963	8	**1,098**	**74,604**	**4**
Institution N	223	88,770	8	186	62,997	11	97	53,147	6	0		21	**506**	**72,467**	**5**
Institution R[1]	223	97,800	4	265	68,100	4	197	50,800	14	71	43,400	7	**756**	**70,033**	**6**
Institution P[1]	129	91,140	7	118	66,765	5	64	50,883	13	46	43,549	6	**357**	**69,734**	**7**
CSU	**6,050**	**$80,302**	**15**	**1,885**	**$64,683**	**8**	**2,659**	**$51,932**	**10**	**490**	**$40,206**	**9**	**11,084**	**$69,068**	**8**
Institution A	603	83,994	13	414	60,831	14	277	52,284	8	48	37,455	13	**1,342**	**68,639**	**9**
Institution S[1]	268	85,970	10	250	66,056	7	198	51,685	11	32	45,663	3	**748**	**68,514**	**10**
Institution M[1]	165	85,544	11	130	62,468	12	103	50,011	15	7	39,107	10	**405**	**68,297**	**11**
Institution G[1]	154	81,200	14	227	59,800	16	95	49,800	16	0	0	18	**476**	**64,728**	**12**
Institution I[1]	120	86,199	9	122	61,100	13	119	52,307	7	25	37,763	11	**386**	**64,681**	**13**
Institution F	177	99,609	3	282	64,160	9	300	53,582	5	92	33,260	17	**851**	**64,463**	**14**
Institution C	70	84,521	12	103	63,875	10	109	51,667	12	2	45,605	4	**284**	**64,150**	**15**
Institution T	246	78,062	16	268	60,468	15	180	51,976	9	9	36,876	14	**703**	**64,148**	**16**
Institution O	211	77,164	18	170	56,328	20	110	49,430	17	5	34,972	16	**496**	**63,447**	**17**
Institution L	50	76,630	19	27	57,384	18	44	48,301	19	0	0	19	**121**	**62,034**	**18**
Institution D	155	71,577	20	184	56,350	19	109	45,473	21	6	37,490	12	**454**	**58,688**	**19**
Institution H	252	68,817	21	190	53,906	21	243	46,246	20	0	0	20	**685**	**56,674**	**20**
Institution E[1]	121	77,583	17	117	57,479	17	97	49,003	18	109	35,621	15	**444**	**55,740**	**21**
Unweighted Totals	4,742	$88,307		4,191	$64,093		3,182	$52,848		559	$39,856		**23,010**	**$69,192**	
High-cost 10	2,274	$93,694		2,017	$67,361		1,463	$54,466		380	$41,804		**6,134**	**$72,464**	
Low-cost 10	2,468	83,343		2,174	61,061		1,719	51,472		179	35,721		**6,540**	**66,256**	
Weighted Totals	**4,742**	**$89,347**		**4,191**	**$64,715**		**3,182**	**$53,208**		**559**	**$39,249**		**12,674**	**$69,857**	

1. Universities located in high-cost areas.

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

DISPLAY 5 California State University Comparison Institution Salaries, by Rank, 2005-06

Institution	Professors			Associate Professors			Assistant Professors			Instructors			Total Faculty		
	No.	Average Salary	Rank	No.	Average Salary	Rank	No.	Average Salary	Rank	No.	Average Salary	Rank	Total	Weighted Ave. Salary	Rank
Institution Q[1]	590	$126,704	1	345	$88,373	1	266	$76,194	1	35	$46,942	5	**1,236**	**$102,876**	**1**
Institution P[1]	141	118,819	3	118	83,738	3	57	68,123	3	0	0	16	**316**	**96,575**	**2**
Institution J[1]	130	121,878	2	99	86,276	2	89	72,319	2	52	41,486	12	**370**	**89,133**	**3**
Institution B[1]	417	113,859	4	395	81,700	4	315	65,103	5	50	54,054	2	**1,177**	**87,477**	**4**
Institution A	625	105,863	7	422	70,939	12	348	64,433	6	55	41,013	13	**1,450**	**83,296**	**5**
Institution K	663	97,598	14	407	71,891	11	335	63,326	7	10	50,882	4	**1,415**	**81,760**	**6**
Institution N	220	104,735	10	201	74,221	8	163	59,877	11	0	0	19	**584**	**81,712**	**7**
Institution M[1]	203	105,322	9	176	78,093	6	151	55,227	19	16	44,232	9	**546**	**80,901**	**8**
Institution C	70	105,491	8	110	78,876	5	119	66,696	4	0	0	17	**299**	**80,259**	**9**
Institution S[1]	294	99,041	12	261	75,339	7	243	60,916	9	38	54,753	1	**836**	**78,546**	**10**
Institution R[1]	273	107,016	6	291	74,108	9	288	58,925	12	82	46,417	6	**934**	**76,614**	**11**
Institution G[1]	157	97,752	13	185	72,919	10	51	57,762	16	93	51,410	3	**486**	**75,235**	**12**
Institution L	58	90,070	16	34	67,268	18	34	57,866	15	0	0	20	**126**	**75,227**	**13**
Institution I[1]	129	99,083	11	141	70,082	13	124	58,714	13	17	45,227	8	**411**	**74,727**	**14**
Institution O	179	89,020	17	164	67,520	16	187	62,411	8	0	0	18	**530**	**72,979**	**15**
CSU	**4,773**	**$86,056**	20	**2,449**	**$68,162**	15	**3,585**	**$57,071**	17	**470**	**$42,941**	11	**11,277**	**$71,159**	**16**
Institution F	177	110,112	5	309	68,361	14	317	59,928	10	117	39,849	14	**920**	**69,862**	**17**
Institution T	218	86,360	19	273	66,201	19	292	56,166	18	8	46,286	7	**791**	**67,851**	**18**
Institution D	150	86,868	18	196	64,192	20	134	51,368	21	13	44,181	10	**493**	**67,078**	**19**
Institution H	235	76,653	21	210	59,101	21	245	54,485	20	0	0	21	**690**	**63,440**	**20**
Institution E[1]	105	91,088	15	117	67,419	17	85	58,543	14	148	39,324	15	**455**	**62,084**	**21**
Unweighted Totals	5,034	$104,103		4,454	$73,587		3,843	$61,673		734	$44,740		**14,065**	**$79,748**	
High-cost 10	2,439	$111,619		2,128	$78,673		1,669	$63,756		531	$46,078		**6,767**	**$84,311**	
Low-cost 10	2,595	97,039		2,326	68,934		2,174	60,074		203	41,239		**7,298**	**75,518**	
Weighted Totals	**5,034**	**$105,496**		**4,454**	**$74,582**		**3,843**	**$62,210**		**734**	**$44,046**		**14,065**	**$80,618**	

1. Universities located in high-cost areas.

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

DISPLAY 6 University of California Comparison Group Average Salaries, Projected Comparison Group Average Salaries, and Projected Percentage UC Faculty Salary Increase Required to Attain Parity with the Comparison Group in 2006-07

Academic Rank	Comparison Group Average Salaries 2000-01	Comparison Group Average Salaries 2005-06	Compound Rate of Increase	Comparison Group Projected Salaries, 2006-07
Professor	$110,275	$134,747	4.1%	$140,259
Associate Professor	$74,170	$89,321	3.8%	$92,704
Assistant Professor	$62,038	$76,021	4.1%	$79,176

Academic Rank	University of Calif. Average Salaries, 2005-06	Comparison Group Average Salaries Actual 2005-06[1]	Comparison Group Average Salaries Projected 2006-07[1]	Percent Increase Required in UC Average Salaries to Equal the Comparison Institution Average Actual 2005-06	Percent Increase Required in UC Average Salaries to Equal the Comparison Institution Average Projected 2006-07
Professor	$119,843	$134,747	$140,259	12.4%	17.0%
Associate Professor	$77,941	$89,321	$92,704	14.6%	18.9%
Assistant Professor	$70,018	$76,021	$79,176	8.6%	13.1%
Weighted by University of California Staffing	$101,508	$113,918	$118,533	12.2%	16.8%
Weighted by Comparison Institution Staffing	$97,664	$109,504	$113,933	12.1%	16.7%
All-Ranks Average/Net Percentage Amount[2]	$100,547	$110,607	$115,083	10.0%	**14.5%**

Institutional Budget-Year Staffing Pattern, (Full-Time-Equivalent Faculty)	Professor	Associate Professor	Assistant Professor	Total
University of California	4,444.5	1,457.5	1,496.9	7,398.9
Percent	60.1%	19.7%	20.2%	100.0%
Comparison Institutions	4,312.7	1,882.1	2,117.0	8,311.8
Percent	51.9%	22.6%	25.5%	100.0%

1. Weighted 50% public comparison institutions, 50% independent comparison institutions. The University of California Office of the President reports that it has final survey results from six of its eight comparison institutions and has estimated final results for the other institutions.
2. All-Ranks Average derived by weighting University and Comparison Institutions by 75% of their own staffing pattern and 25% of the other's staffing pattern.

Source: CPEC staff analysis.

DISPLAY 7 University of California Comparison Institution Average Salaries, by Rank, 2000-2001

		Professor			Associate Professor			Assistant Professor			Total Faculty		
2000-01	Type[1]	No.	Average Salary	Rank	No.	Average Salary	Rank	No.	Salary	Rank	No.	Salary	Rank
Institution H	I	641	$130,480	1	111	$79,979	2	233	$70,453	2	**985**	**$110,590**	**1**
Institution A	I	510	121,698	2	126	87,809	1	214	68,008	3	**850**	**103,157**	**2**
Institution F	I	553	117,647	3	180	78,750	3	169	72,280	1	**902**	**101,385**	**3**
Institution D	I	385	117,286	4	69	71,045	6	182	58,165	5	**636**	**95,351**	**4**
Univ. of Calif.	**P**	**3,747**	**107,612**	**5**	**1,206**	**71,347**	**5**	**970**	**63,408**	**4**	**5,923**	**92,989**	**5**
Institution B	P	453	101,666	7	261	70,045	7	221	56,902	7	**934**	**82,264**	**6**
Institution E	P	696	102,151	6	350	71,856	4	453	57,819	6	**1,499**	**81,680**	**7**
Institution G	P	803	93,936	9	458	65,566	8	347	56,281	8	**1,608**	**77,731**	**8**
Institution C	P	299	94,020	8	205	64,606	9	196	54,598	9	**700**	**74,368**	**9**
Totals		**4,339.4**	**$110,275**		**1,760.1**	**$74,171**		**2,014.2**	**$62,038**		**8,113.7**	**$91,379**	

DISPLAY 8 University of California Comparison Institution Average Salaries, by Rank, 2005-2006

		Professor			Associate Professor			Assistant Professor			Total Faculty		
2005-06	Type[1]	No.	Average Salary	Rank	No.	Average Salary	Rank	No.	Salary	Rank	No.	Salary	Rank
Institution H	I	655	$162,976	1	136	$97,752	3	221	$88,266	1	**1,012**	**$137,896**	**1**
Institution A	I	502	152,532	2	149	106,016	1	202	86,136	3	**853**	**128,684**	**2**
Institution F[2]	I	505	146,688	3	147	98,870	2	175	87,430	2	**827**	**125,649**	**3**
Institution D[2]	I	407	140,505	4	68	86,346	4	199	69,645	7	**674**	**114,119**	**4**
Univ. of Calif.	**P**	**4,445**	**119,843**	**6**	**1,458**	**77,941**	**7**	**1,497**	**70,018**	**6**	**7,399**	**101,509**	**5**
Institution E	P	741	123,915	5	386	83,579	5	413	72,069	4	**1,540**	**99,901**	**6**
Institution B	P	447	117,112	7	278	80,734	6	222	69,344	8	**947**	**95,235**	**7**
Institution G	P	732	113,998	8	478	77,559	8	409	70,245	5	**1,619**	**92,181**	**8**
Institution C	P	324	110,918	9	240	76,239	9	276	63,001	9	**840**	**85,265**	**9**
Total		**4,312.7**	**$134,747**		**1,882.1**	**$89,321**		**2,117.0**	**$76,021**		**8,311.8**	**$110,893**	

1. I =Independent; P = Public.
2. Estimated data.

Source: University of California, Office of the President.

Implications

The Commission believes that any salary increase provided to faculty should take into consideration its impact on students, including the quantity and quality of faculty. However, current budget constraints suggest that faculty at both the California State University and the University of California are likely to receive minimal increases in 2006-07 commensurate with the figures estimated for their respective comparison institutions, in large part because of budget limitations that the State is facing in both the current and budgeted fiscal years. The implications of minimal or no salary increases definitely puts both the State University and the University at a disadvantage when retaining existing or recruiting new faculty who are critical to meeting the needs of students. If the differences are too large, both university systems could lose their best scholars to institutions offering more competitive salaries. Similarly, when recruiting new faculty, both systems must offer competitive packages to recent graduates, and to highly prized scholars working elsewhere, to make their offers most attractive. A reduction in the number of existing faculty, or an institution's inability to attract qualified scholars, could affect student access and undermine the quality of academic programs.

Compensation is only one factor that faculty use when considering job offers. Other factors such as cost of housing and quality of life often affect a faculty member's decision when accepting a new position in California. The Commission's parity calculations for the University and State University provide only one measure of institutional competitiveness for employing and retaining faculty.

Staff recommends that future faculty salary reports should be broadened to include other benefits such as sabbaticals, housing allowances, and bonuses in the equation. In addition, staff recommends that the current groups of comparable institutions be reexamined to ensure that they are still appropriate with regard to mission, scope, and size. Third, in order for the Commission to obtain the authority and resources necessary to conduct a comprehensive review of compensation practices, staff recommends that the Commission reaffirm the following resolution:

> *In recognition of the inability of the current CPEC faculty and executive compensation reports to accurately reflect total compensation at California's public segments of higher education and at the recommendation of the Commission's Executive Director, the Commission supports all efforts to obtain the necessary authority and resources to undertake a comprehensive review of compensation policies within California higher education. The purpose of the review is to provide transparency and accountability in the compensation process.*
>
> *The review must take into account the competitive market place for recruitment and retention of outstanding faculty and administrators. The review shall be undertaken with the consultation and cooperation of an appropriate advisory committee that should include, but not be limited to, representatives of the public segments.*