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Faculty Salaries at California's Public Universities, 2003-04

ANNUALLY, in accordance with Senate Concurrent Resolution No. 51 of the 1965 General Legislative Session, the California State University and the University of California submit to the California Postsecondary Education Commission information on faculty salaries for their respective institutions and for a set of comparison colleges and universities located primarily outside of California.

Commission staff develops estimates of the percentage changes in faculty salaries in California public universities that will enable them to attain parity with their respective comparison groups in the forthcoming fiscal year. These final parity figures for both systems are based on complete data from the comparison institutions. A preliminary estimate of faculty salary parity was reported to the Department of Finance and the Office of the Legislative Analyst last December. This information is brought to the Commission for adoption in time for the Governor's May Revise of the State Budget.

This report contains a brief description of the methodology employed to calculate the parity percentages, and the faculty salary increase trends over the past 22 years. Supplemental Budget Language adopted by the Legislature in 1998 precludes changes in the methodology prior to the 2002-03 budget cycle. Because of the lengthy lead times required to develop the Governor's Budget, if any changes in the methodology are contemplated for the 2004-05 cycle, discussions among the members of the Commission's Faculty Salary Advisory Committee should begin in the spring or summer of 2003.

A summary of the 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 designed and refined periodically by the Commission in consultation with the Commission's Faculty Salary Advisory Committee. The Committee includes representatives from the California State University, University of California, the Department of Finance, and the Office of the Legislative Analyst, with the California Faculty Association included on the Committee as an observer. As a result, the faculty salary methodology is reflective of several compromises among interested parties, rather than the vision of any single individual or agency.

This year's methodology is unchanged from the last several years, and can be found in considerable detail in several previous Commission reports. These include the June 1987 report *Faculty Salary Revisions* (CPEC 87-27), the June 1989 report *Revisions to the Commission's Faculty Salary Methodology* (CPEC 89-22), and the 1997 faculty salary report (CPEC 97-2), which includes the most recent 1996-97 adjustments.

The methodology 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 below shows the comparison institutions for the two university systems. The members of the Commission’s Faculty Salary Advisory Committee formulated each list through extensive discussions and compromises. In the more than 38 years that the survey has been conducted, each list has changed several times, most recently in 1993-94 when three institutions in the State University comparison group were replaced. The University of California list is unchanged since 1988.

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 2003-04 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.”

Faculty salary trends

Display 2 on the next page shows the Commission’s salary computations for each of the two public university systems, plus the actual amounts granted, since the 1981-82 fiscal year.

During the first half of the 1980s, the salary lag between CSU and its comparison group was consistently smaller than the comparable lag for UC and its group. However, by the late 1980s, this situation had reversed. During California’s severe economic recession between 1991-92 and 1994-95, few if any 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.

When California moved from recession to economic boom in the mid 1990s, faculty received more competitive percentage salary increases, with slightly larger increases accruing to faculty at the California State University. As a result of this trend, the parity figure declined significantly during this period for faculty at both univer-

DISPLAY 1 Faculty Salary Comparison Institutions for the California State University and the University of California

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

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.

DISPLAY 2 Comparison of Faculty Salary Parity Figures, with Actual Percentage Increases Provided, 1981-82 Through 2003-04

| Year | The California State University | | University of California | |
|---------|---------------------------------|-----------------|--------------------------|-----------------|
| | 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 | 3.1 | 3.9 | 0.5 |
| 2002-03 | 10.6 | 3.0 | 7.7 | 0.5 |
| 2003-04 | 11.6 | N/A | 8.8 | N/A |

Source: California Postsecondary Education Commission

sity systems. However recent and anticipated budget constraints have reversed the trend once again. The University of California’s parity gap last year was 7.7%, while the currently projected lag grew to 8.8% for 2003-04. At the State University, faculty this year received an average salary increase of 3.0%; however, the lag increased from 10.6% last year to a projected 11.6% for the 2003-04 fiscal year.

It is important to understand the meaning of these “parity” numbers. Last year, when the Commission reported an estimated lag of 10.6% for CSU faculty, it did not mean that the State University’s faculty was actually paid that percent less than their colleagues at comparable institutions. This figure was a projection of a possible future (2002-03) increase based on observed trends over a five-year period, with the assumption that State Univer-

sity salaries would not increase at all in the 2002-03 fiscal year. The current lag -- discussed below for 2002-03 -- can be quite different from the projected lag, and normally shows a lower percentage than anticipated for the budget year, with the potential of there being no lag at all.

The parity figures for 2003-04

California State University

Display 3 on the next page shows the parity calculations for the California State University for the current (2002-03) and budget (2003-04) years.

The “parity figure” for the State University system for 2003-04 is 11.6% -- 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 2003-04. It indicates that the all ranks average salary in the current year is about 7.7% below that currently paid by the comparison group. These calculations are based upon actual information received from all of the State University’s 20 comparison institutions. Comparative salaries were preliminary for one institution that was reconciling its database at the time of publication of this report.

Displays 4 and 5 on the following pages show rank-by-rank and institution-by-institution salaries for both the State University and the comparison group for 1997-98 and 2002-03. 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 in 2002-03 on average all State University faculty placed 12th in their ranking with the comparison institution counterparts -- directly at the median.

For the current year, faculty at the professor and assistant professor levels rank below the median, at the 17th place. Associate professors, assistant professors, and instructors placed at 10th, 15th, and 8th places respectively. The overall average for all faculty is at the median is because the State University has 47.8% of its faculty at the full professor rank, while the comparison institutions, as a group, have 36.9% of their faculty at that rank.

DISPLAY 3 California State University Comparison Group Average Salaries, 1997-98 and 2002-03; Compound Rates of Increase, Projected Comparison Group Average Salaries, 2003-04; and Projected CSU Faculty Salary Percentage Increase Required to Attain Parity with the Comparison Group in 2003-04

| <u>Academic Rank</u> | <u>Comparison Group Average Salaries 1997-98¹</u> | <u>Comparison Group Average Salaries 2002-03¹</u> | <u>Compound Rate of Increase</u> | <u>Comparison Group Projected Salaries 2003-04</u> |
|----------------------|--|--|----------------------------------|--|
| Professor | \$79,474 | \$95,301 | 3.7% | \$98,827 |
| Associate Professor | \$57,651 | \$68,874 | 3.6% | \$71,368 |
| Assistant Professor | \$47,432 | \$57,103 | 3.8% | \$59,262 |
| Instructor | \$37,280 | \$40,095 | 1.5% | \$40,683 |

| <u>Academic Rank</u> | <u>California State University Actual Average Salaries 2002-03</u> | <u>Comparison Group Average Salaries</u> | | <u>Percentage Increase Required in California State University Average Salaries to Equal the Comparison Institution Average</u> | |
|--|--|--|--------------------------|---|--------------------------|
| | <u>2002-03</u> | <u>Actual 2002-03</u> | <u>Projected 2003-04</u> | <u>Actual 2002-03</u> | <u>Projected 2003-04</u> |
| Professor | \$83,409 | \$95,301 | \$98,827 | 14.3% | 18.5% |
| Associate Professor | \$67,303 | \$68,874 | \$71,368 | 2.3% | 6.0% |
| Assistant Professor | \$54,004 | \$57,103 | \$59,262 | 5.7% | 9.7% |
| Instructor | \$41,686 | \$40,095 | \$40,683 | -3.8% | -2.4% |
| Weighted by State University Staffing | \$69,812 | \$76,622 | \$79,418 | 9.8% | 13.8% |
| Weighted by Comparison Institution Staffing | \$68,597 | \$74,257 | \$76,962 | 8.3% | 12.2% |
| <i>All Ranks Average and Net Percentage Amount²</i> | \$69,508 | \$74,849 | \$77,576 | 7.7% | 11.6% |

| Institutional Current-Year Staffing Pattern (Headcount Faculty) | | | | | |
|--|------------------|----------------------------|----------------------------|-------------------|--------------|
| | <u>Professor</u> | <u>Associate Professor</u> | <u>Assistant Professor</u> | <u>Instructor</u> | <u>Total</u> |
| California State University | 5,630 | 2,073 | 3,521 | 558 | 11,782 |
| <i>Percent</i> | 47.8% | 17.6% | 29.9% | 4.7% | |
| Comparison Institutions | 4,764 | 4,123 | 3,463 | 546 | 12,896 |
| <i>Percent</i> | 36.9% | 32.0% | 26.9% | 4.2% | |

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 Salary Data, by Rank, 1997-98

| Institution | <u>Professors</u> | | | <u>Associate Professors</u> | | | <u>Assistant Professors</u> | | | <u>Instructors</u> | | | Weighted Ave. Salary (rank) | | |
|----------------------------|-------------------|-----------------------|-------------|-----------------------------|-----------------------|-------------|-----------------------------|-----------------------|-------------|--------------------|-----------------------|-------------|-----------------------------|-----------------|-------------|
| | No. | Average Salary (rank) | | No. | Average Salary (rank) | | No. | Average Salary (rank) | | No. | Average Salary (rank) | | | | |
| Institution B ¹ | 456 | \$88,295 | (3) | 349 | \$64,544 | (2) | 190 | \$50,081 | (4) | 10 | \$40,154 | (7) | 1,005 | \$72,344 | (1) |
| Institution Q ¹ | 489 | 89,137 | (2) | 354 | 63,050 | (3) | 237 | 54,926 | (2) | 48 | 46,667 | (3) | 1,128 | 71,955 | (2) |
| Institution J ¹ | 131 | 92,395 | (1) | 119 | 68,564 | (1) | 105 | 55,242 | (1) | 19 | 41,624 | (6) | 374 | 71,802 | (3) |
| Institution P ¹ | 118 | 83,508 | (6) | 125 | 61,479 | (4) | 51 | 46,434 | (8) | 2 | 53,500 | (1) | 296 | 67,615 | (4) |
| Institution K | 460 | 79,856 | (8) | 348 | 57,236 | (9) | 193 | 50,551 | (3) | 7 | 39,350 | (8) | 1,008 | 66,154 | (5) |
| Institution N | 247 | 79,542 | (9) | 202 | 56,623 | (11) | 90 | 45,198 | (15) | 0 | 0 | -- | 539 | 65,218 | (6) |
| Institution R ¹ | 245 | 85,797 | (4) | 269 | 59,940 | (5) | 146 | 45,682 | (13) | 63 | 42,001 | (5) | 723 | 64,260 | (7) |
| Institution M ¹ | 158 | 78,558 | (10) | 139 | 57,154 | (10) | 103 | 45,656 | (14) | 4 | 26,712 | (18) | 404 | 62,292 | (8) |
| Institution S ¹ | 263 | 78,008 | (11) | 251 | 59,180 | (6) | 206 | 46,957 | (6) | 21 | 42,678 | (4) | 741 | 61,997 | (9) |
| Institution G ¹ | 157 | 80,000 | (7) | 224 | 56,400 | (12) | 118 | 45,700 | (12) | 0 | 0 | -- | 499 | 61,295 | (10) |
| CSU | 6,587 | \$68,313 | (17) | 2,008 | \$55,284 | (13) | 1,746 | \$44,475 | (17) | 217 | \$35,032 | (12) | 10,558 | \$61,209 | (11) |
| Institution F | 222 | 84,822 | (5) | 260 | 57,571 | (7) | 262 | 47,636 | (5) | 38 | 37,974 | (9) | 782 | 61,026 | (12) |
| Institution A | 610 | 74,124 | (13) | 458 | 55,045 | (14) | 248 | 45,830 | (11) | 60 | 28,820 | (17) | 1,376 | 60,699 | (13) |
| Institution C | 81 | 76,668 | (12) | 101 | 57,329 | (8) | 77 | 46,730 | (7) | 2 | 47,738 | (2) | 261 | 60,130 | (14) |
| Institution L | 50 | 69,195 | (15) | 27 | 50,766 | (19) | 27 | 43,345 | (18) | 0 | 0 | -- | 104 | 57,699 | (15) |
| Institution T | 265 | 66,923 | (18) | 310 | 53,327 | (15) | 123 | 45,981 | (10) | 5 | 36,582 | (10) | 703 | 57,048 | (16) |
| Institution I ¹ | 118 | 73,210 | (14) | 131 | 51,264 | (17) | 92 | 45,135 | (16) | 21 | 31,840 | (14) | 362 | 55,733 | (17) |
| Institution D | 172 | 66,340 | (20) | 220 | 51,169 | (18) | 98 | 41,997 | (20) | 8 | 32,666 | (13) | 498 | 54,307 | (18) |
| Institution O | 201 | 66,501 | (19) | 205 | 49,693 | (20) | 151 | 42,930 | (19) | 3 | 28,999 | (16) | 560 | 53,791 | (19) |
| Institution E ¹ | 120 | 68,785 | (16) | 124 | 51,942 | (16) | 110 | 46,106 | (9) | 56 | 35,941 | (11) | 410 | 53,120 | (20) |
| Institution H | 280 | 61,526 | (21) | 200 | 48,430 | (21) | 210 | 40,591 | (21) | 11 | 30,395 | (15) | 701 | 51,030 | (21) |
| Totals | 4,843 | \$78,267 | | 4,416 | \$57,011 | | 2,837 | \$47,085 | | 378 | \$37,774 | | 12,474 | \$62,423 | |
| High cost 10 | 2,255 | \$83,907 | | 2,085 | \$60,145 | | 1,358 | \$48,868 | | 244 | \$40,450 | | 6,756 | \$57,852 | |
| Low cost 10 | 2,588 | 73,352 | | 2,331 | 54,207 | | 1,479 | 45,448 | | 134 | 32,901 | | 5,718 | 67,824 | |
| Total | 4,843 | \$79,474 | | 4,416 | \$57,651 | | 2,837 | \$47,432 | | 378 | \$37,280 | | 12,474 | \$62,040 | |

1. Universities located in higher cost areas.

Source: The California State University, Office of the Chancellor

DISPLAY 5 California State University Comparison Institution Salary Data, by Rank, 2002-03

| Institution | Professors | | | Associate Professors | | | Assistant Professors | | | Instructors | | | Weighted Ave. | |
|------------------------------|--------------|-----------------------|--|----------------------|-----------------------|--|----------------------|-----------------------|--|-------------|-----------------------|--|---------------|----------------------|
| | No. | Average Salary (rank) | | No. | Average Salary (rank) | | No. | Average Salary (rank) | | No. | Average Salary (rank) | | Total | Salary (rank) |
| Institution Q ¹ | 540 | \$110,754 (2) | | 335 | \$77,840 (4) | | 247 | \$68,926 (1) | | 46 | \$45,112 (4) | | 1,168 | \$89,883 (1) |
| Institution J ¹ | 126 | 111,453 (1) | | 95 | 81,394 (1) | | 71 | 63,990 (2) | | 31 | 43,221 (6) | | 323 | 85,630 (2) |
| Institution B ¹ | 433 | 105,419 (4) | | 356 | 78,226 (3) | | 288 | 62,021 (3) | | 15 | 64,832 (1) | | 1,092 | 84,551 (3) |
| Institution P ¹ | 132 | 97,927 (5) | | 125 | 79,560 (2) | | 71 | 56,863 (7) | | 0 | 0 -- | | 328 | 82,039 (4) |
| Institution K | 488 | 94,394 (10) | | 340 | 68,481 (7) | | 256 | 60,235 (4) | | 10 | 47,516 (3) | | 1,094 | 77,919 (5) |
| Institution N | 229 | 95,276 (9) | | 196 | 67,007 (11) | | 142 | 56,294 (9) | | 0 | 0 -- | | 567 | 75,741 (6) |
| Institution M ¹ | 170 | 96,031 (8) | | 159 | 69,460 (6) | | 135 | 52,295 (19) | | 11 | 38,948 (10) | | 475 | 73,385 (7) |
| Institution A | 617 | 89,439 (12) | | 416 | 63,640 (16) | | 291 | 56,452 (8) | | 45 | 34,814 (14) | | 1,369 | 72,792 (8) |
| Institution R ¹ | 263 | 97,732 (6) | | 271 | 68,252 (8) | | 251 | 53,243 (16) | | 90 | 43,067 (7) | | 875 | 70,217 (9) |
| Institution C | 68 | 96,800 (7) | | 109 | 70,107 (5) | | 116 | 54,703 (13) | | 0 | 0 -- | | 293 | 70,203 (10) |
| Institution S ^{1,2} | 284 | 85,870 (13) | | 188 | 66,939 (12) | | 186 | 54,416 (14) | | 37 | 44,303 (5) | | 695 | 70,118 (11) |
| CSU | 5,630 | \$83,409 (17) | | 2,073 | \$67,303 (10) | | 3,521 | \$54,004 (15) | | 558 | \$41,686 (8) | | 11,782 | \$69,812 (12) |
| Institution I ¹ | 130 | 93,038 (11) | | 128 | 64,943 (15) | | 128 | 55,613 (12) | | 22 | 39,622 (9) | | 408 | 69,602 (13) |
| Institution F | 170 | 109,602 (3) | | 282 | 68,104 (9) | | 299 | 57,160 (5) | | 109 | 37,502 (11) | | 860 | 68,624 (14) |
| Institution T | 236 | 83,621 (16) | | 267 | 65,275 (13) | | 242 | 56,943 (6) | | 10 | 36,830 (12) | | 755 | 67,962 (15) |
| Institution L | 54 | 82,461 (18) | | 22 | 62,231 (17) | | 46 | 53,243 (17) | | 0 | 0 -- | | 122 | 67,796 (16) |
| Institution G ¹ | 159 | 86,686 (15) | | 201 | 61,133 (19) | | 58 | 52,940 (18) | | 0 | 0 -- | | 418 | 69,716 (17) |
| Institution O | 193 | 80,396 (20) | | 163 | 60,177 (20) | | 132 | 55,632 (11) | | 0 | 0 -- | | 488 | 66,944 (18) |
| Institution D | 155 | 80,888 (19) | | 186 | 61,346 (18) | | 108 | 46,564 (21) | | 1 | 60,000 (2) | | 450 | 64,526 (19) |
| Institution E ¹ | 108 | 87,235 (14) | | 114 | 65,187 (14) | | 112 | 56,083 (10) | | 119 | 36,780 (13) | | 453 | 60,730 (20) |
| Institution H | 209 | 70,962 (21) | | 170 | 55,571 (21) | | 284 | 48,814 (20) | | 0 | 0 -- | | 663 | 57,528 (21) |
| Totals | 4,764 | \$94,352 | | 4,123 | \$68,145 | | 3,463 | \$56,663 | | 546 | \$40,545 | | 12,896 | \$73,574 |
| High cost 10 | 2,345 | \$99,846 | | 1,972 | \$71,886 | | 1,547 | \$58,489 | | 371 | \$41,994 | | 6,235 | \$77,299 |
| Low cost 10 | 2,419 | 89,026 | | 2,151 | 64,715 | | 1,916 | 55,189 | | 175 | 37,473 | | 6,661 | 64,352 |
| Total | 4,764 | \$95,301 | | 4,123 | \$68,874 | | 3,463 | \$57,103 | | 546 | \$40,095 | | 12,896 | \$71,861 |

1. Universities located in higher cost areas.

2. Preliminary data

Source: The California State University, Office of the Chancellor

University of California

This report contains current-year data from all of the University of California's eight comparison institutions.

Display 6 on the next page shows the parity calculations for UC for both the current and budget years. For the University system, the methodology indicates a "parity figure" of 8.8%, which is the percentage amount by which UC faculty will lag their counterparts if no salary increase is granted for 2003-04. The display also shows that University average salaries lag the comparison group by 4.1% in the 2002-03 fiscal year.

Display 7 presents 1997-98 and 2002-03 comparison institution data, by rank, and indicates that the University has slightly improved the relative strength of its median position over the five-year period. Five years ago, roughly \$4,500 separated University salaries from the institution just below it; today the University's average is about \$3,600 higher than that institution. 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.

The Universities rank-by-rank position relative to its comparison institutions is more consistent than it is with the State University. For example, where in the current year the University's all-ranks average is at the median – fifth of nine listed, including the University of California – of the comparison institutions listed, it is sixth for full professors, sixth for associate professors, and fourth for assistant professors. The consistency of the University's position occurs because the distribution of faculty at each professorial rank in that system is similar to the distribution of faculty at its eight comparison institutions.

Issues of competitiveness

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 or no salary increases in 2003-04 commensurate with the estimated lag of their respective comparison institutions, in large part because of the significant budget shortfall the State is facing during both the current and budgeted fiscal years. The implications of no or minimal salary increases might put 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 lag is too disparate, 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.

The current national recession may temper the negative effects of small or no salary increases on the University and State University in the short term, in that many public and private institutions throughout the nation are also facing limited salary increases, in large part because of major budget shortfalls in other states. However, once the national economy improves, the State must consider what levels of compensation are best for recruiting and retaining faculty. Likewise, the State should recognize that compensation is only one factor that faculty use when considering job offers. Other externalities such as cost of housing, quality of life, and climate often affect a faculty member's decision when accepting a new position. The Commission's parity calculations for the University and State University provide only one measure of institutional competitiveness for employing such faculty.

DISPLAY 6 University of California Comparison Group Average Salaries, 1997-98 and 2002-03; Compound Rates of Increase, Projected Comparison Group Average Salaries, 2003-04; and Projected UC Faculty Salary Percentage Increase Required to Attain Parity with the Comparison Group in 2003-04

| <u>Academic Rank</u> | <u>Comparison Group Average Salaries</u> | | <u>Compound Rate of Increase</u> | <u>Comparison Group Projected Salaries, 2003-04</u> | |
|--|---|--|----------------------------------|---|--------------------------|
| | <u>1997-98¹</u> | <u>2002-03¹</u> | | | |
| Professor | \$96,499 | \$119,389 | 4.3% | | \$124,582 |
| Associate Professor | \$64,059 | \$80,783 | 4.7% | | \$84,619 |
| Assistant Professor | \$53,588 | \$67,577 | 4.7% | | \$70,786 |
| Percent Increase Required in University Ave. Salaries to Equal the Comparison Institution Average | | | | | |
| <u>Academic Rank</u> | <u>University of Calif. Average Salaries, 2002-03</u> | <u>Comparison Group Average Salaries</u> | | <u>Average</u> | |
| | | <u>Actual 2002-03</u> | <u>Projected 2003-04</u> | <u>Actual 2002-03</u> | <u>Projected 2003-04</u> |
| Professor | \$112,032 | \$119,389 | \$124,582 | 6.6% | 11.2% |
| Associate Professor | \$73,082 | \$80,783 | \$84,619 | 10.5% | 15.8% |
| Assistant Professor | \$64,800 | \$67,577 | \$70,786 | 4.3% | 9.2% |
| Weighted by University of California Staffing | \$96,163 | \$102,784 | \$107,365 | 6.9% | 11.6% |
| Weighted by Comparison Institution Staffing | \$91,293 | \$97,519 | \$101,900 | 6.8% | 11.6% |
| All Ranks Average/Net Percentage Amount² | \$94,945 | \$98,835 | \$103,266 | 4.1% | 8.8% |
| Institutional Budget-Year Staffing Pattern, (Full-Time-Equivalent Faculty) | | | | | |
| | | <u>Professor</u> | <u>Associate Professor</u> | <u>Assistant Professor</u> | <u>Total</u> |
| University of California | | 3,984.8 | 1,233.5 | 1,108.5 | 6,326.9 |
| <i>Percent</i> | | 63.0% | 19.5% | 17.5% | 100.0% |
| Comparison Institutions | | 4,333.4 | 1,767.4 | 2,177.4 | 8,278.2 |
| <i>Percent</i> | | 52.3% | 21.3% | 26.3% | 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 seven of its eight comparison institutions and has estimated final results for the eighth institution.
2. All-Ranks Average derived by weighting University and Comparison Institutions by 75 percent of their own staffing pattern and 25 percent of the other's staffing pattern.

Source: CPEC staff analysis

DISPLAY 7 University of California Comparison Institution Average Salaries and Ranking, 1997-98 and 2002-03

| 1997-98 | | Professor | | | Associate Professor | | | Assistant Professor | | | Total Faculty | | |
|------------------------|-------------------|------------------|-----------------|----------|----------------------------|-----------------|----------|----------------------------|-----------------|----------|----------------------|-----------------|----------|
| | Type ¹ | Number | Salary | Rank | Number | Salary | Rank | Number | Salary | Rank | Number | Salary | Rank |
| Institution A | I | 495 | \$108,751 | 2 | 136 | \$74,769 | 1 | 165 | \$59,787 | 2 | 796 | \$92,795 | 2 |
| Institution H | I | 605 | 112,639 | 1 | 133 | 63,202 | 4 | 183 | 58,723 | 3 | 921 | 94,787 | 1 |
| Institution F | I | 547 | 104,674 | 3 | 163 | 70,373 | 2 | 174 | 60,898 | 1 | 884 | 89,733 | 3 |
| Institution D | I | 364 | 103,046 | 4 | 95 | 60,804 | 6 | 176 | 50,056 | 7 | 635 | 82,039 | 4 |
| Univ. of Calif. | P | 3,290 | 93,697 | 5 | 1,204 | 62,695 | 5 | 1,070 | 54,986 | 4 | 5,563 | 79,545 | 5 |
| Institution E | P | 700 | 88,616 | 6 | 370 | 65,239 | 3 | 345 | 51,104 | 5 | 1,415 | 73,357 | 6 |
| Institution B | P | 432 | 86,676 | 7 | 262 | 59,788 | 7 | 224 | 49,198 | 8 | 919 | 69,865 | 7 |
| Institution G | P | 840 | 82,489 | 9 | 494 | 58,211 | 8 | 376 | 50,575 | 6 | 1,709 | 68,459 | 8 |
| Institution C | P | 296 | 82,808 | 8 | 218 | 56,313 | 9 | 161 | 46,335 | 9 | 675 | 65,549 | 9 |
| Totals | | 4,279.0 | \$96,499 | | 1,871.5 | \$64,059 | | 1,803.5 | \$53,588 | | 7,954.0 | \$80,100 | |

| 2002-03 | | Professor | | | Associate Professor | | | Assistant Professor | | | Total Faculty | | |
|------------------------|-------------------|------------------|------------------|----------|----------------------------|-----------------|----------|----------------------------|-----------------|----------|----------------------|-----------------|----------|
| | Type ¹ | Number | Salary | Rank | Number | Salary | Rank | Number | Salary | Rank | Number | Salary | Rank |
| Institution H | I | 607 | \$145,572 | 1 | 109 | \$88,776 | 2 | 240 | \$78,784 | 1 | 956 | \$122,329 | 1 |
| Institution A | I | 500 | 131,364 | 2 | 136 | 96,508 | 1 | 202 | 75,159 | 3 | 838 | 112,159 | 2 |
| Institution F | I | 553 | 127,494 | 4 | 173 | 86,886 | 3 | 183 | 78,646 | 2 | 909 | 109,932 | 3 |
| Institution D | I | 407 | 129,102 | 3 | 68 | 79,338 | 5 | 199 | 63,993 | 6 | 674 | 104,858 | 4 |
| Univ. of Calif. | P | 3,985 | 112,032 | 6 | 1,234 | 73,082 | 6 | 1,109 | 64,800 | 4 | 6,327 | 96,163 | 5 |
| Institution E | P | 698 | 113,499 | 5 | 339 | 79,032 | 4 | 405 | 64,615 | 5 | 1,442 | 91,667 | 6 |
| Institution B | P | 470 | 102,548 | 7 | 263 | 70,092 | 7 | 229 | 58,358 | 9 | 961 | 83,156 | 7 |
| Institution G | P | 812 | 99,843 | 9 | 442 | 68,986 | 9 | 504 | 59,908 | 7 | 1,758 | 80,634 | 8 |
| Institution C | P | 287 | 100,743 | 8 | 237 | 73,036 | 8 | 216 | 58,696 | 8 | 740 | 79,596 | 9 |
| Total | | 4,333.4 | \$119,389 | | 1,767.4 | \$80,783 | | 2,177.4 | \$67,577 | | 8,278.2 | \$98,600 | |

1. I =Independent; P = Public.

Source: University of California, Office of the President.