

**STATE SENATE EDUCATION COMMITTEE AND
SENATE BUDGET COMMITTEE SUBCOMMITTEE ON EDUCATION
INFORMATIONAL HEARING ON UC COMPENSATION**

Clifford Brunk, Chair, University of California Academic Senate

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As prepared for delivery

Mr. Chairman and members: Thank you for inviting me here today to address the Committee on this issue, which is of great importance to the faculty of the University of California. On behalf of the university's faculty, we deeply appreciate the opportunity to share our views with you.

Today, there are more than 9,300 tenure-track faculty hard at work at the University of California's campuses, medical centers, national laboratories and other locations throughout the state. Academic study areas on UC campuses span more than 150 disciplines, one of the broadest ranges of study of any university in the world. More UC academic programs are consistently rated among the top 10 nationally than any other public or private university.

A total of 49 faculty and researchers affiliated with the University of California have won Nobel Prizes, including 17 prizes since 1995. Six of the university's campuses are members of the Association of American Universities, a landmark measurement of the breadth and quality of academic excellence in higher education – no other research university system in the country has even two campuses in the AAU.

Our faculty and staff work together to maintain the University of California's reputation as the world's preeminent public research university system. Their efforts chart the course for the University's future and enrich the communities in which they live and work.

Achieving this reputation for quality – and more importantly, sustaining this level of excellence – costs money.

With world-class scholars in every field, it is understandable that other universities want to steal a biochemist from one of our campuses, a materials physicist from another, an historian from a third. In today's market, just keeping the faculty we have now is a considerable challenge we face every day. But we are also facing the necessity to hire a large number of faculty to replace retiring colleagues and to keep pace with the growing number of students coming to UC.

The number of faculty has increased by more than 12 percent since 2000 and by 23 percent over the past decade. UC has made approximately 1,650 new faculty appointments over the last three years, while we have lost more than 900 faculty through retirements and departures over this same period.

To sustain current student-faculty ratios, new faculty appointments will need to increase to meet increasing faculty replacement needs and growth. This suggests UC must hire on average of 600 tenure-track faculty per year over the next five years to keep pace.

Quality costs money. And it is naïve to think we can maintain the quality of our faculty while other universities – public and private – are increasing the size of the salary and compensation packages they are offering to the country's best faculty.

Historically, California’s legislators and governors have recognized the value of investing in the University of California. State support has been and remains an essential component in building our academic and research excellence.

Sustaining that quality is an enormous and complicated task. In trying to meet these tough challenges, it is fair to say the university has made some mistakes. Unfortunately, recent media coverage of compensation for UC faculty and administrators has not contributed to helping the public or elected officials to understand the complexity and the national context of the challenge of recruiting and retaining the best people.

One distortion is particularly noteworthy. Of the \$871 million reported as secret “bonuses,” for example, nearly three-quarters of it – \$622 million – is paid to UC faculty in accordance with regental guidelines and academic senate policy. Furthermore, the vast majority of this money comes from clinical practice fees, federal grant support and other non-State funds. It is not funding that is being misspent or misdirected.

In the past decade, the market for faculty and administrators at public universities has become extremely competitive. Resources for private universities have risen dramatically with the increases in the equity market while state support for public universities in California and elsewhere has diminished significantly.

In today’s national market, the UC system has an antiquated faculty pay scale. To provide comparative compensation, many UC faculty are paid at a rate higher than the University salary scale. Only 28% of the faculty at our ten campuses are paid on-scale. At some campuses, the figures are much lower: at UCLA, for example, only one in eight faculty – 12% – are paid on-scale.

As President Dynes explained earlier, providing competitive compensation is critical to what we do at the university. In addition to emphasizing the need for competitive compensation to recruit and retain the best faculty, we also underscore the president’s message that the faculty must be supported by top-notch staff and administrators if we are to be fully successful.

We are pleased that President Dynes and the Regents are taking action to remedy some of the compensation irregularities that have recently come to light, and that they are using them as an opportunity to address the larger context and long-term issues that connect compensation and the prospects for academic quality.

Under our responsibilities for shared governance, the faculty believe four core principles should govern compensation packages for all UC employees and the policies for implementing them:

- **Transparency:** Everyone should know what the abiding compensation principles and corresponding practices are.
- **Fidelity to Shared Governance:** The Regents, administration and Academic Senate have complementary roles in review and approval of compensation policies.
- **Fairness within the University community:** Personnel policies and practices should inspire confidence that the entire University community is being treated justly.
- **Merit:** Compensation, beyond range adjustments affecting all employees, should be based on performance assessed in a fair and valid manner.

Historically, California's legislators and governors have supported higher education, understanding the economic and social value of investing in the University of California.

UC faculty help train California's highly skilled workforce, generate innovations and new technologies that create new companies, new jobs and increased tax revenues, and improve the quality of life for all Californians. Support for UC provides the state's best return on investment. And finding ways to properly and fairly compensate UC's faculty, staff and administrators is at the heart of protecting that return on investment.

Investing in faculty compensation is also an investment in students – they are the first beneficiaries of maintaining a strong faculty in UC's classrooms and research labs.

These hearings demonstrate your concern for and engagement with these issues that are vital to California's future, and I again thank you for the opportunity to present these perspectives from the University of California faculty.