In its coverage of compensation issues at the University of California, the San Francisco Chronicle frequently has referred to $871 million distributed “quietly” by the University in “bonuses, moving allowances, administrative stipends and other types of cash compensation in addition to salaries and overtime.”\(^1\) To reach the $871 million figure, the Chronicle compared “base salary” to “total compensation” excluding overtime for all UC employees in 2004-05.

The Chronicle’s characterizations are misleading.

**Of the $871 million, $600 million is compensation paid to health sciences faculty for treating patients or conducting research, and to campus faculty for additional teaching and research they do during the summer.** While senior managers at the University have been the focus of the Chronicle’s stories, these senior managers received only $7 million, or less than 1% of the $871 million figure. Of this $7 million, approximately $900,000 came from State General Funds and $300,000 from student fees – the rest was from other sources of revenue.

Following is a complete breakdown of the $871 million, of which $66 million in State General Funds and $62 million in student fees was paid as non-base pay compensation to UC employees.

\(^1\)“Outside auditor to examine UC’s salary packages,” San Francisco Chronicle, December 20, 2005, Page A1.
Given the complexity of these issues, the University will be continuing its analysis, and details remain subject to change.

**Health sciences faculty compensation – $449 million (52%)**

In addition to base salary, health sciences faculty are paid compensation funded primarily by professional fees generated by their clinical activities and competitive contract and grant research awards – all of which are paid through University accounts. These payments are regulated by a Regental policy, the Health Sciences Compensation Plan. This additional compensation is available to medical, dental, pharmacy, optometry, and nursing school faculty for the work they perform, such as treating patients or performing professional services, above and beyond their regular teaching requirement. The purpose of this compensation plan is to ensure that the University can recruit and retain exceptional faculty through competitive salaries, by agreement with the state Legislature.

**Additional faculty teaching and research – $151 million (17%)**

Most general campus faculty (those not members of the health sciences faculty) have 9-month appointments. They are paid additional compensation for teaching and research done during the summer, above and beyond their regular teaching requirement, allowing the University to utilize its facilities on a year-round basis. Additionally, faculty are paid summer salaries by sponsors of federal and private research grants.

**Differential pay – $70 million (8%)**

Of the total, $58 million was paid to unionized employees, mostly at the University’s medical centers, for evening, night, weekend, holiday, or “on call” shifts. An additional $3 million was paid to non-unionized staff and $9 million was paid to employees at the Department of Energy national laboratories.

**Payout of unused vacation leave and severance pay – $54 million (6%)**

Of the total, $46 million was paid to employees who left University service as a payout of their unused vacation leave. $18 million went to union-represented employees, $7 million to DOE lab employees, and approximately $1 million to employees in the Senior Management Group.

Also, $8 million was paid as severance pay to employees upon ending employment in accordance with personnel policies or applicable collective bargaining agreements. Approximately $1 million went to DOE lab employees. Of the remaining $7 million, approximately $500,000 was paid to union-represented employees. Approximately $2.5 million in severance pay was paid to employees in the Senior Management Group; less than $250,000 of that amount was paid from State General Funds and student fees.

**Compensation by agreement for faculty, staff, students and managers – $57 million (7%)**

Students and postdoctoral fellows – $16 million: Some students and fellows bring fellowship funding provided by an outside agency with them to the University. Though resulting from separate agreements, the payments are made through the University’s payroll system.

Adjunct, recalled and visiting professors – $13 million: These and other academics (for instance, some lecturers, instructional assistants, and teaching assistants) receive compensation by term contract for providing instruction on an ad hoc basis for a limited period.

University Extension – $9 million: This self-supporting program pays some of its instructional faculty “by agreement” through separate teaching contracts.
Staff physicians and dentists and other health sciences faculty – $6 million: This category of employee includes staff physicians and dentists who do not have faculty appointments as well as other health sciences faculty who have a faculty appointment of 50% or less and thus are not eligible for the Health Sciences Compensation Plan. These employees may receive compensation in addition to base pay, similar to those in the Health Sciences Compensation Plan, described above. These payments are regulated by Regental and/or academic policy.

Student employees – $4 million: Some student job titles are paid based on an assignment rather than on an hourly basis, e.g., second- and third-year resident assistants in the dormitories, student referees for intramural sports leagues, camp counselors, etc.

Recreational instructors – $3 million: This employee category is often paid by the class or by the academic term, rather than per hour.

Interns and residents – $2 million: Some campuses record payments for salary and other salary supplements to this group here, rather than as regular pay, which is not included in this analysis.

Advising and counseling services – $1 million: This “by agreement” pay category refers to those who participate as community service mentors or who serve as an appointed official overseeing student activities such as a summer orientation program.

Contract workers and limited appointments – $2 million: This is primarily for students from other educational organizations (e.g., high schools or community colleges) or theatrical artists and other theater support staff.

Compensatory time paid – $500,000: One campus records compensatory time paid to employees in this category, rather than as overtime pay, which is not included in this analysis.

Police certification pay – $500,000: In accordance with the labor contract between the University and its police officers, an officer who has attained a Peace Officer Standards and Training intermediate certificate or higher will receive compensation in addition to base pay to recognize attainment of high professional standards.

**Special performance, incentive or bonus pay – $58 million (7%)**

This section includes two categories:

Special Performance Awards are given in recognition of distinguished service for significant achievements and contributions, and are available to employees and work teams at all levels of the organization. Approximately one-half of 1% of UC’s salary base is reserved for this employee recognition program and is included as part of the University’s personnel policy.

Incentive pay/bonuses includes incentive pay when pre-determined, specified goals or objectives are attained. This category also includes relocation incentive pay, signing bonuses and employee referral bonuses primarily for appointments at the medical centers.

Without a very time-consuming review performed transaction by transaction, we are unable at this time to separate the totals for performance awards and incentive/bonus pay. However, the DOE labs recorded $7 million in the two combined pay categories. Of the remaining $51 million, $15 million was paid to union-represented staff and approximately $2.5 million was paid to employees in the Senior Management Group. Approximately $8 million was paid from State General Funds and student fees.

**Honorariums and stipends – $30 million (3%)**

Honorariums – $1 million: These one-time payments may be provided to academic and staff positions as well as non-employees in recognition of, for example, participating in a seminar or workshop as a guest speaker or panelist,
or for giving special lectures.

Stipends – $26 million: Stipends are compensation for undertaking temporarily assigned responsibilities that are outside the scope of an employee’s regular responsibilities and usually of a higher-level position. For instance, administrative stipends may be paid when an employee takes on additional job duties on a temporary basis, such as when a faculty member serves as a department chairperson in addition to regular academic duties. Of the total in this category, approximately $500,000 was paid to employees in the Senior Management Group.

Also included in the total $30 million is $3 million the DOE labs recorded in the Honorarium/Stipend pay categories combined. Approximately half of the $27 million paid to other UC employees in these categories was from a combination of State General Funds and student fees.

**Employee automobile and housing allowances – $9 million (1%)**

Temporary Housing Allowance – $8.5 million: This category of payment is provided primarily to faculty who are recruited to the University and is generally provided on a temporary basis to facilitate the transition while they look for housing. However, the Chancellor is authorized to approve exceptions in individual cases.

Auto allowance – $500,000: Certain staff in the Senior Management Group, as specified in University policy, are eligible to receive a monthly cash allowance in lieu of an automobile leased by the University. In fiscal year 2004-05 the monthly stipend was $743.

**Other – (-$7) million (1%)**

This category primarily reflects savings from the University’s START program, which offered employees a voluntary temporary reduction in time and pay.

**TOTAL – $871 million**

**Summary of amounts paid to employees in Senior Management Group:**

The Senior Management Group consists of the senior leadership of the University, including the President; the Secretary, General Counsel, and Treasurer of the Regents; Chancellors; Vice Presidents; Vice Chancellors; Associate and Assistant Vice Presidents; some Associate and Assistant Vice Chancellors; some Executive Directors; and senior academic administrative titles such as Deans. There were 358 Senior Management Group members in 2004-05 reflected in this analysis. This figure does not include 36 senior managers at the DOE laboratories who were not able to be accounted for as SMG members in this analysis due to the limitations imposed by the University's data systems; they are counted in this analysis solely as DOE lab employees.

Unused vacation: $1 million  
Severance pay: $2.5 million  
Performance/incentive/bonus pay: $2.5 million  
Stipends: $500,000  
Auto allowance: $500,000  
**Total:** $7 million

REVISED – 1/12/06