UC Board of Regents’
Staff Compensation Policy (1978)

1. That, subject to the availability of appropriate funding, staff and management employee salaries and benefits be based on prevailing total compensation for employees performing comparable work in private and public employment;

2. That the President be instructed to determine prevailing total compensation appropriate to University jobs and the salary and benefits adjustments required to bring University staff and management total compensation into alignment with prevailing total compensation; and

3. That the President be instructed to request from the Governor and the Legislature the state funds necessary to implement this policy.
July 2005

Competitive Review of Total Remuneration

Presentation to the Board of Regents
Agenda

Study Overview:
- Project Objective and Outcomes
- Scope of Study
- Methodology

Study Findings

Questions
**Study Overview**

**Project Objective and Outcomes**

- **Objective:**
  - Assess competitiveness of total remuneration for UC System

- **Outcomes:**
  - View of UC total remuneration vis-à-vis competitive labor markets
  - Information for short-term actions and longer-term strategy
## Study Overview

### Scope of Study: Populations and Elements

#### Populations
- **Included:**
  - Career Faculty and Staff at the campuses, medical schools and UCOP
- **Not Included:**
  - UC Labs
  - UC Medical Centers

#### Elements
- **Included:**
  - Cash compensation
  - Active health and welfare benefits
  - Retirement and retiree medical benefits
- **Not Included:**
  - Cost of living (e.g. housing)
  - Intrinsic/extrinsic factors
## Study Overview

**Scope of Study: Study Population Coverage**

<table>
<thead>
<tr>
<th>Study Population Coverage by UC Personnel Program</th>
<th>Total UC Population</th>
<th>Study Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>LRF (Ladder Rank Faculty)</td>
<td>8,300</td>
<td>80%</td>
</tr>
<tr>
<td>SMG (Senior Management Group)</td>
<td>300</td>
<td>35%</td>
</tr>
<tr>
<td>PSS (Rep) Professional &amp; Support Staff - Represented</td>
<td>26,400</td>
<td>56%</td>
</tr>
<tr>
<td>PSS (Non-Rep) Professional &amp; Support Staff - Non-Represented</td>
<td>22,200</td>
<td>16%</td>
</tr>
<tr>
<td>MSP Management &amp; Senior Professional</td>
<td>5,100</td>
<td>19%</td>
</tr>
<tr>
<td>OA Other Academics</td>
<td>11,200</td>
<td>25%</td>
</tr>
</tbody>
</table>

**OVERALL STUDY POPULATION COVERAGE:** 39%
Study Overview
Scope of Study: Demographics

Study Population Demographics:
Average Age and Average Years of Service

<table>
<thead>
<tr>
<th></th>
<th>Average Age</th>
<th>Average Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Results</td>
<td>44</td>
<td>9</td>
</tr>
<tr>
<td>LRF</td>
<td>50</td>
<td>14</td>
</tr>
<tr>
<td>SMG</td>
<td>57</td>
<td>17</td>
</tr>
<tr>
<td>Service Workers</td>
<td>45</td>
<td>7</td>
</tr>
<tr>
<td>PSS (Rep)</td>
<td>41</td>
<td>7</td>
</tr>
<tr>
<td>PSS (Non-Rep)</td>
<td>42</td>
<td>10</td>
</tr>
<tr>
<td>MSP</td>
<td>47</td>
<td>11</td>
</tr>
<tr>
<td>OA</td>
<td>45</td>
<td>7</td>
</tr>
</tbody>
</table>

Note: The chart above illustrates the average age and average years of service for different groups within the study population.
Study Overview
Methodology: Total Cash Compensation

**INPUT**
- Prior UC Market Studies
- New Market Pricing
  - Over 200 benchmarks
  - All personnel programs

**REVIEW**
- Data Review & Analysis
  - Job matches
  - Update factors
  - Geographic wage rate considerations
  - Labor market comparisons

**OUTPUT**
- Market Comparisons
  - Base salary
  - Total cash compensation (base salary + annual incentives & other compensation)
Study Overview
Methodology: Benefits and Retirement

INPUT

Health & Welfare Provisions

Retirement & Retiree Medical Provisions

REVIEW

Data Review & Analysis

- UC actual profiles
- Replacement values
- Peer group comparisons

OUTPUT

Market Comparisons

- Active health & welfare plans
- Retirement & retiree medical plans
Study Overview
Methodology: Total Remuneration

Compensation Analysis
Competitive comparison relative to market survey data

Benefits & Retirement Analysis
Competitive comparison relative to each set of peers

Total Remuneration Analysis
A combination of benefits, retirement and compensation data, showing overall competitive position
Study Findings
### Study Findings

**Cash Compensation: Overall Market Comparison**

<table>
<thead>
<tr>
<th>Category</th>
<th>Variance (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Results</td>
<td>-15%</td>
</tr>
<tr>
<td>LRF</td>
<td>-13%</td>
</tr>
<tr>
<td>SMG</td>
<td>-17%</td>
</tr>
<tr>
<td>Service Workers (Rep)</td>
<td>-10%</td>
</tr>
<tr>
<td>PSS Service Workers (Rep)</td>
<td>-16%</td>
</tr>
<tr>
<td>PSS (Non-Rep)</td>
<td>-12%</td>
</tr>
<tr>
<td>MSP</td>
<td>-13%</td>
</tr>
<tr>
<td>OA</td>
<td>-19%</td>
</tr>
</tbody>
</table>

**Total Cash Compensation: Variance from Market Median**

- Overall Results: Variance from Market Median
- LRF: Variance from Market Median
- SMG: Variance from Market Median
- Service Workers (Rep): Variance from Market Median
- PSS (Non-Rep): Variance from Market Median
- MSP: Variance from Market Median
- OA: Variance from Market Median

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In strict confidence in preparation for collective bargaining.

Mercer Human Resource Consulting

University of California
Study Findings
Cash Compensation: Market Comparison by Job

Total Cash Compensation: Average Pay
Relative to Market Median by Job

Compensation ($)

Market Compensation ($)
Study Findings

Benefits: Overall Market Comparison

Active Health & Welfare Benefits: Variance from Market Median

<table>
<thead>
<tr>
<th>Category</th>
<th>Variance (%)</th>
<th>Rank of Total Peers + UC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Results</td>
<td>10%</td>
<td>2/20</td>
</tr>
<tr>
<td>LRF</td>
<td>21%</td>
<td>1/20</td>
</tr>
<tr>
<td>SMG</td>
<td>33%</td>
<td>3/10</td>
</tr>
<tr>
<td>Service Workers</td>
<td>30%</td>
<td>7/19</td>
</tr>
<tr>
<td>PSS (Rep) - excl. Service Workers</td>
<td>4%</td>
<td>7/19</td>
</tr>
<tr>
<td>PSS (Non-Rep)</td>
<td>5%</td>
<td>7/19</td>
</tr>
<tr>
<td>MSP</td>
<td>0%</td>
<td>8/19</td>
</tr>
<tr>
<td>OA</td>
<td>3%</td>
<td>9/19</td>
</tr>
</tbody>
</table>


Mercer Human Resource Consulting
Study Findings
Retirement: Overall Market Comparison

Retirement & Retiree Medical: Variance from Market Median

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Results</td>
<td>63%</td>
<td>LRF</td>
</tr>
<tr>
<td>SMG</td>
<td>88%</td>
<td>2/10</td>
</tr>
<tr>
<td>Service Workers</td>
<td>109%</td>
<td>PSS (Rep) excl. Service Workers</td>
</tr>
<tr>
<td>PSS (Non-Rep)</td>
<td>54%</td>
<td>MSP</td>
</tr>
<tr>
<td>OA</td>
<td>43%</td>
<td></td>
</tr>
</tbody>
</table>
Study Findings
One-to-One Comparisons

UC Compared to California State University

- Variance for Active Health & Welfare Benefits: -7%
- Variance for Retirement & Retiree Medical: 17%

UC Compared to State of California

- Variance for Active Health & Welfare Benefits: -5%
- Variance for Retirement & Retiree Medical: 7%
Study Findings
Total Remuneration: Overall Market Comparison

Total Remuneration: Variance from Market Median

- Overall Results: 0%
- LRF: 3%
- SMG: 3%
- Service Workers: 10%
- PSS (Rep) excl. Service Workers: -2%
- PSS (Non-Rep): 1%
- MSP: -2%
- OA: -5%
Study Findings
Total Remuneration: Market Comparison By Job

Total Remuneration: Average Total Rem
Relative to Market Median by Job

Market Median
UC – "Best Fit"

- LRF
- SMG
- Service Workers
- PSS (rep) - excl. Service Workers
- PSS (non-rep)
- MSP
- OA

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University of California

DRAFT
In strict confidence in preparation for collective bargaining
Study Findings
Overall Summary

Summary: UC Variance from Market Median

<table>
<thead>
<tr>
<th>Component</th>
<th>Variance (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cash Compensation</td>
<td>-15%</td>
</tr>
<tr>
<td>Active Health &amp; Welfare Benefits</td>
<td>10%</td>
</tr>
<tr>
<td>Retirement &amp; Retiree Medical</td>
<td>63%</td>
</tr>
<tr>
<td>Total Remuneration</td>
<td>0%</td>
</tr>
</tbody>
</table>
Questions