

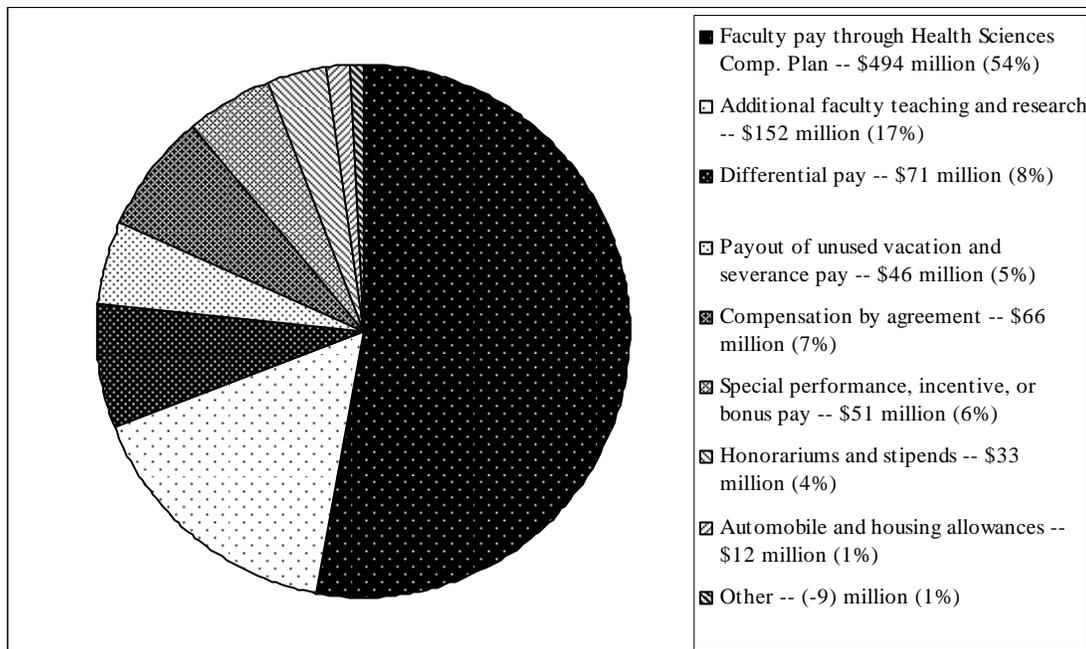
**Further Analysis of University of California
“Above Base Pay” Employee Compensation for 2005-06
December 2006**

Total compensation for many University of California employees is made up of several different components. Some nurses and other employees in UC teaching hospitals, for instance, are compensated with a combination of base pay and shift differential for working evening or night shifts. Clinical faculty members who treat patients often negotiate total compensation packages that may include incentive payments under the terms of the University’s Health Sciences Compensation Plan, approved by The Regents. Other faculty salaries are typically made up of a combination of base pay, research funds, and summer teaching salary payments. Staff and administrators receive most of their income from base pay but can also earn stipends for performing additional temporary responsibilities.

Any compensation other than base salary and overtime is known as “above base pay” compensation. **In November 2006, the University issued a preliminary report on “above base pay” compensation provided to UC employees during the 2005-06 fiscal year.** The report showed that \$916 million in “above base pay” compensation was paid in 2005-06, excluding employees at UC-managed national laboratories. Of this \$916 million, approximately \$7 million was paid to employees who are members of the University’s Senior Management Group.

The preliminary report, related materials explaining “above base pay” compensation, and a breakdown of the \$7 million paid to senior managers are available on the University’s public web site at www.universityofcalifornia.edu/news/compensation/payroll2005-06/.

At the time the preliminary report was issued, the University committed to providing a fuller analysis of the “above base pay” data in December 2006. This document represents that analysis. What follows is a breakdown of the \$916 million in “above base pay” compensation paid to UC employees in 2005-06. Of the \$916 million, \$73 million came from State General Funds and \$62 million from student fee revenue.



Faculty pay through the Health Sciences Compensation Plan – \$494 million (54%)

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 – \$152 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 – \$71 million (8%)

Of the total, \$67 million was paid to unionized employees, mostly at the University's medical centers, for evening, night, weekend, holiday, or "on call" shifts. An additional \$4 million was paid to non-unionized staff.

Payout of unused vacation leave and severance pay – \$46 million (5%)

Of the total, \$42 million was paid to employees who left University service as a payout of their unused vacation leave. \$12 million of this amount went to union-represented employees.

Also, \$4 million was paid as severance pay to employees upon ending employment in accordance with personnel policies or applicable collective bargaining agreements. Approximately \$1 million of this amount was paid to union-represented employees.

Compensation by agreement for faculty, staff, students and managers – \$66 million (7%)

Students and postdoctoral fellows – \$8.5 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 – \$10 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 – \$11.5 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 – \$7 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 – \$4 million: This employee category is often paid by the class or by the academic term, rather than per hour.

Interns and residents – \$7 million: Some campuses record payments for salary and other salary supplements to this group of employees as “by agreement” rather than as regular pay.

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 – \$3 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.

Certification pay – \$500,000: In accordance with labor contracts between the University and some of its employees, additional compensation above base pay is provided to recognize attainment of high professional standards within their fields of employment.

Special performance, incentive or bonus pay – \$51 million (6%)

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 non-represented staff salary base is reserved for this employee recognition program and is included as part of the University’s personnel policy.

Incentive pay/bonuses includes 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.

Honorariums and stipends – \$33 million (4%)

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 – \$32 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.

Employee automobile and housing allowances – \$12 million (1%)

Temporary Housing Allowance – \$11.5 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 2005-06 the monthly stipend was \$743.

Other – (-\$9) 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 – \$916 million