**DISTRIBUTION OF DISCRETIONARY SALARY POOL 2016-2017**

*Ladder rank faculty and LSOE series faculty, non-HS Comp Plan, General Campus*

# SUMMARY:

Similar to last year, the campus and school specific salary equity data provided in this packet, along with your familiarity with the faculty in your school, are intended to help you recommend distribution of the discretionary pool to address issues of equity, compression and inversion. Merit as a category has been eliminated this year since it is addressed by our regular merit and promotion review process.

For your school, 1.5% of total budgeted salary (19900 funds) for all ladder rank faculty and LSOE series faculty is $XXX. This year the dollars for the two groups are combined and distribution does not have to be proportional to the $ generated from each group. For faculty with split appointments, the funds provided are consistent with their percent appointment in your school. The dollar sum you recommend for these faculty are independent of the dollar sum recommended by the joint school.

**Split Appointment Example**

|  |  |
| --- | --- |
| Faculty member’s salary  *(after the 1.5% across the board adjustment)* | $100,000 |
| Department A’s discretionary recommendation | $500\* |
| Department B’s discretionary recommendation | $2,500\* |
| Faculty member’s new total salary | $103,000 |

*\*$500 will be deducted from Dept. A’s pool, $2,500 will be deducted from Dept. B’s pool*

# INSTRUCTIONS:

1. In consultation with your Equity Advisor, Associate/Assistant Dean, and Department Chairs, review the attached documents and distribute the funds to address any issues of equity, compression and inversion. Additional factors that may be considered include:

* Decade of hire
* Salary at hire
* Recent retentions or salary adjustments
* Rate of progress
* Special awards
* Service contributions (including institution building activities)
* Sub-disciplinary market differences

1. Recommend the distribution of the 1.5% pool.
   1. Include dollar increase for each faculty member
   2. Include reason for increase (equity, compression, inversion)

For faculty in the LSOE series, final salaries must fall on one of the increments of the 7/1/2016 P/SOE salary scale. The salaries for ladder rank faculty should be in even $100’s.

1. Submit your recommendation to the Vice Provost for Academic Personnel along with the following:
   1. Names and titles of those individuals that were consulted and their role in the process
   2. A short but clear description of the principles employed in distribution and the consultative process employed.
   3. Any exceptions to this methodology and description of reasons
2. Provost office will review, request additional information if necessary, and will approve all final adjustments

***Please note that these documents should be considered confidential and should not be shared beyond the group listed above.***

DOCUMENTS:

The attached documents are generated from data collected by the Office of Academic Personnel and the Office of Institutional Research. They will only be useful in conjunction with your knowledge of the individual faculty.

**If you find errors in the data:**

* Notify Academic Personnel (Jean Chin, [jlchin@uci.edu](mailto:jlchin@uci.edu), x41201).
* Continue with your analyses – due to the aggregate nature of most of the analyses, we have found that most data errors carry statistical insignificance. This is where we will rely on your familiarity with the faculty to make the appropriate determination.

**Document Summary:**

* **Faculty List:** You need to complete and submit this list along with your process description to the Vice Provost for Academic Personnel.
  + **Initials:** Use these initials to identify the faculty member in the graphs that follow.
  + **Predicted Salary:** Based off of a multi-variate regression analysis that included demography\*, experience, discipline and rank.
    - **\*** During last year’s pay equity analysis, several schools expressed a concern that the analysis included demography when determining the coefficients for the salary prediction formula. This year, we’ve presented predicted salaries both with and without demography for comparison.
  + **Progress:** 
    - Zero = progressing through the ranks/steps as expected
    - Negative = progressing slower than expected, years slower than normal
    - Positive = progressing faster than expected, years faster than normal
* **Progression through the Ranks:** This matrix illustrates what we have determined is the normative progression. While it is perfectly okay for a faculty member stop progressing after Professor Step V, for the sake of comparison, we have defined normative progression as increasing in 1 step (or correlating overlapping step) every 2 to 4 years.
  + Assistant Professor I – Associate Professor III: 2 year review cycle
  + Associate Professor IV – Professor IX: 3 year review cycle
  + Professor IX – Professor A/S: 4 year review cycle
* **Actual and Predicted Salary Graphs:** These graphs illustrate whether the actual salary is higher or lower than predicted salary.
* **Compression and Inversion Graphs, Regress Salary on Rank/Step:** these graphs plot actual salaries as a function of rank and step.
  + Use these graphs to identify compression and inversion between ranks and steps

# GUIDELINES FOR EVALUATING AND DISTRIBUTING FUNDS: *According to the System-wide (UCOP) defined criteria*

1. **Equity**. UCOP Definition: Equity is the quality of being impartial, reasonable, fair, just. In this circumstance, equity is considered with respect to faculty salary, what it is, how it compares to others’ salary, and how it was determined. As appropriate, campuses should draw from their recent faculty salary equity studies in identifying issues of equity in individual faculty member salaries.

* *Large variability of salaries at individual rank/step can help identify faculty at the low end who are potential candidates for salary increases (See example graph: region #1)*
* *Comparison of the actual vs predicted salary from graphs and tables will help identify individuals whose actual salaries are below predicted as potential candidates for salary increases. (Overlap acetate of predicted on actual graph)*

1. **Compression**. UCOP Definition: Compression occurs when faculty members at lower rank/step have salaries that are almost as large as those of faculty at higher rank/step.

* *Systemic compression can be identified as a shallow slope over a range of rank and steps on the salary vs rank/step graphs. This will identify a group of faculty at the higher ranks of the compressed region who are potential candidates for salary increases (See example graph: region #2)*

1. **Inversion**. UCOP Definition: Inversion occurs when faculty members at lower rank/step have salaries that are larger than those of faculty at higher rank/step.

* *Even if there is no evidence of systemic inversion where there is a negative slope over a range of rank/steps on the graphs of actual salary, cases where there are faculty at higher ranks with lower salaries than faculty at lower ranks are potential candidates for salary increases (See example graph: region #3)*

**Actual Salary Sample GRAPH** (showing all 3 regions described above)

