



Competitive employee compensation: An ongoing UC priority -- and challenge

People are the cornerstone of UC's success and providing employees – at all levels -- with competitive compensation is critical to UC's ability to secure the caliber of talent needed to sustain institutional competitiveness and quality. Salaries for many UC employee groups are below market, due primarily to constrained State funding for systemwide raises. In September 2005, The Regents set achieving market-competitive compensation and benefits for all employees as one of UC's highest priorities, which is a significant challenge given UC's limited resources and number of employees. UC is working to realize this goal but it will be able to achieve it only with the commitment and funding from the State and other sources.

Special raises given and/or proposed for over 35,000 lower-paid employees

In recognition of the impact of California's high cost of living on employees, especially lower-paid staff, UC has recently taken a number of steps to increase wages for its lower-paid employees. In March, UC reached an agreement with the Coalition of University Employees union regarding special raises for more than 11,800 UC clerical employees (www.universityofcalifornia.edu/news/2007/mar23.html), and also provided similar raises to approximately 4,000 non-represented lower-paid employees. UC has also proposed similar wage increases for approximately 19,500 other lower-paid employees represented by the University Professional and Technical Employees (UPTe) and American Federation of State, County and Municipal Employees (AFSCME) unions. However, wage increases for represented employees are subject to collective bargaining.

Proposed increases for AFSCME-represented custodians and other employees

For the past several months, UC has been meeting regularly with AFSCME to try to reach an agreement on special wage increases for lower-paid service workers and patient care employees. UC's latest proposal would give a total of \$8.9 million to 14,300 UC patient care and service employees, including custodians.

Regarding custodians, UC's first priority is to increase custodians' salaries that are most below market. UC has proposed increases totaling approximately \$ 4.3 million distributed among nearly 3,000 custodians at all UC campuses as follows:

- Custodians at UCB, UCSC and UCSB would receive a \$0.75 per hour base-building wage increase, plus one-time bonuses. Custodians at other UC locations would receive a combination of base-building increases and one-time lump sum payments based on market lags as they exist.
- AFSCME-represented employees not included in the increases mentioned above would receive the following, effective April 1, 2007:
 - Employees earning \$30,000 or less: 2% salary increase
 - Employees earning \$30,001 - \$35,000: 1% salary increase
 - Employees earning \$35,001 - \$40,000: 0.5% salary increase

These proposed increases would be *in addition to* those already provided, or scheduled to be provided, under AFSCME's current contract with UC for service workers, which provides for increases of approximately 4% per year for the remaining two years of a three-year contract.

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Relative impact of UC and AFSCME proposals on market position of custodians’ salaries

UC believes its proposal for custodians is equitable and financially realistic, and as the following chart illustrates, would immediately improve and/or bolster the market position of the salaries for all UC custodians:

	UCB	UCD	UCI	UCLA	UCM	UCR	UCSD	UCSF	UCSB	UCSC
UC Market Average*	\$28,501	\$26,126	\$27,313	\$27,313	\$24,938	\$26,126	\$26,126	\$28,501	\$26,126	\$26, 126
Current Salary	\$29,155	\$26,586	\$23,871	\$24,655	\$22,928	\$23,849	\$23,716	\$34,715	\$28,238	\$26,720
Current % lead/lag	2.2	1.7	-14.4	-10.8	-8.8	-9.5	-10.2	17.9	7.5	2.2
UC Proposed Salary	\$30,721	\$27,108	\$25,059	\$25,675	\$23,855	\$24,812	\$24,707	\$34,986	\$29,804	\$28,286
UC Proposed % lead/lag	7.2	3.6	-9.0	-6.4	-4.5	-5.3	-5.7	18.5	12.3	7.6
+ bonus per employee**	\$500	n/a	\$1,238	\$926	\$753	\$820	\$872	n/a	\$500	\$500
AFSCME Proposed Salary	\$33,331	\$29,175	\$26,105	\$26,513	\$24,473	\$25,540	\$25,449	\$34,986	\$32,414	\$30,896
AFSCME Proposed % lead/lag	14.5	10.5	-4.6	-3.0	-1.9	-2.3	-2.7	18.5	19.4	15.4

*UC’s competitive compensation data includes a range of public and private employers, such as governmental agencies, other higher education institutions and private companies. **In addition to increases in base wages, UC is also proposing one-time bonuses for custodians at locations that trail the market, as well as for custodians at UCB, UCSB and UCSC in response to AFSCME’s particular concerns about increases for these three locations.

UC’s record of extra efforts to help lower-paid employees

This is not the first time UC has taken extra steps to give additional financial support to its lower-paid staff. In 2000, UC sought and received an additional \$19 million in state funding to boost employee salaries, the majority of which went to employees earning \$40,000 or less (www.ucop.edu/news/archives/2000/salaries111600.html), and in 2002, as it had done several times previously, UC voluntarily gave eligible employees special additional retirement funds to help mitigate disappointing salary increases due to limited state funding (www.ucop.edu/news/archives/2002/nov15art1.htm). And beginning in 2003 to help shield lower-paid employees from skyrocketing health insurance premiums, UC adopted a salary-based approach to health insurance so that lower-paid employees pay lower monthly premiums.

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