

REPORT ON 2007 EMPLOYEE PAYROLL*

University of California

July 2008

Introduction

Consistent with its commitment to transparency and public accountability, the University of California discloses employee payroll information annually, and makes it broadly available to the public as well as to news media. This information includes an employee-by-employee listing of compensation, breakdowns of UC pay by personnel category and fund sources, and a summary of compensation for the top 30 university leaders.

Total pay for many UC employees is made up of several components, including base salary, overtime, and other compensation defined as “above base pay” which includes stipends, housing allowances, and payouts of accrued vacation upon separation from the University. Total pay does not include standard health, retirement, and other benefits.

As is common practice, employee compensation packages vary according to the University’s needs, competitive market forces, and the skill sets and expertise of the employee. For example, some nurses and other UC hospital employees are paid with a combination of base pay and shift differential pay for working evening or night shifts. Similarly, compensation for clinical faculty who treat patients includes base pay along with an amount for treating patients. Other faculty compensation might also include pay for teaching summer courses. Staff and administrators receive most of their income from base pay, but can also earn overtime or stipends for performing additional temporary responsibilities.

Key Points about UC’s 2007 payroll data

1. 2007 total payroll grows, due to workforce growth and market demands

- The delivery of educational services, research and health care is labor-intensive, and personnel costs (compensation and benefits) represent roughly 50 percent of UC’s \$18 billion operating budget.
- UC’s total payroll of \$8.2 billion in 2006 grew to \$8.9 billion for 2007, an increase of roughly 8.2%.
- UC’s workforce grew 3.3% (more than 4,200 employees, not including national laboratory employees) between 2006 and 2007, driven by increases in services provided by UC:
 - Student enrollments grew by over 2.9% between 2006 and 2007
 - Overall research expenditures at UC grew 3.7%
 - Inpatient days at UC medical centers grew 2.1%

2. How the 2007 payroll data breaks down

- Approximately 40% of compensation in 2007 went to professors, clinical professors, other teaching faculty, researchers, and other academic positions directly engaged in the University’s academic mission. The remainder went to non-academic employees, including support services for student and patients.
- Over 21% of the funding for systemwide compensation came from professional fees, clinical revenue, and other activities associated with UC’s teaching hospitals. 32.6% of the funding came from State of California funds, and 3.9% from student fees with the majority of student fees coming from summer sessions and University Extension courses.
- As in previous years, the “top 10 earning” employees at UC in 2007 based on total pay were either members of the health sciences faculty – typically world-renowned specialists in their fields – or athletic coaches.
- “Above base pay” increased by 3.7% in 2007, with the vast majority – over 75% -- being paid to academic employees, and particularly to health sciences faculty in connection with their patient care responsibilities.

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**In previous years, this report used fiscal year data and was issued in the fall. Beginning with the 2007 report, this report will be based on calendar year data, to better align with year-end tax reporting, and the production of UC’s annual compensation reports for senior managers which are issued each March. Additionally, the 2007 report focuses on total payroll data, versus “above base pay” as in previous years, to provide a more complete picture of UC compensation.*