

REPORT ON 2008 EMPLOYEE PAYROLL*

University of California

May 2009

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 university leaders.

UC competes in many different labor markets for personnel — physicians, faculty members, nurses, administrative staff, investment professionals, athletic coaches, etc. — and components of compensation are dictated by prevailing practices in each market. In order to compete in these markets, UC must and should reflect the same market practices. In particular markets, such as health sciences, coaches and investment professional, compensation is divided into two distinct parts: (1) a guaranteed base salary; and (2) a contingent payment based on performance. Other market practices also dictate a combination of compensation components. 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.

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 retirement. Total pay does not include standard health, retirement, and other benefits.

Key Points about UC’s 2008 payroll data

1. 2008 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 are roughly 50% of UC’s \$20 billion operating budget.
- UC’s total payroll of \$8.9 billion in 2007 grew to \$9.6 billion for 2008, an increase of roughly 7.4%.
- UC’s workforce grew roughly 2.5% (more than 4,200 employees, not including national laboratory employees) between 2007 and 2008, driven by increases in services provided by UC:
 - Student enrollments grew by nearly 3.6% between 2007 and 2008
 - Overall research expenditures at UC grew 10.7%
 - Inpatient days at UC medical centers grew 1.4%

2. How the 2008 payroll data breaks down

- Approximately 40% of compensation in 2008 went to professors, clinical professors, other teaching faculty, research titles, and other academic positions employees directly engaged in the University’s academic mission. The remainder went to non-academic employees, including support services for students 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. Approximately 27% of the funding came from State of California funds, and 9.2% from student fees with the majority of student fees coming from the education fee, summer sessions and University Extension courses.
- As in previous years, the “top 10 earning” employees at UC in 2008 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” decreased by 1% in 2008, 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 was 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 & 2008 reports focused on total payroll data, versus “above base pay” as in previous years, to provide a more complete picture of UC compensation.*