

SFGate.com**Higher pay = higher costs: UC regents raise salaries, student fees**

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(09-20) 19:27 PDT Davis -- The UC regents voted Thursday to award substantial pay raises to faculty and to sharply increase the fees students pay at the university's law, medical and other professional schools.

In the more controversial of the two actions, the regents' decision to raise professional school fees would result, in some cases, in significant differences in the amounts charged at each campus, with some costing more than \$40,000 a year.

Critics said a public university shouldn't be too expensive for the poor and middle-class and that the 10-campus system would foster an undesirable hierarchy with some campuses being viewed as superior to others.

Supporters argued that UC's nearly three dozen professional schools, in the face of declining state financial support, desperately need to boost income to maintain quality and attract top faculty and that increased financial aid would be offered for those who cannot afford the cost.

The plan passed on a 13-5 vote by the regents at their meeting at UC Davis.

The fee hikes - ranging from about 4 percent to 15 percent each of the next three years - will see the biggest rise at UC Berkeley's Boalt School of Law, where total annual fees would rise to \$40,906 in 2010-11 from \$26,897 this year. In 2001-02, the school charged \$11,175, meaning the cost will have risen 266 percent in nine years.

Berkeley's Haas School of Business would see a similar rise to \$40,882 in 2010-11, compared with UC Davis' business school, which would cost \$30,975 in the same year.

"This is not an affordable education for the majority of people UC must serve," said Regent Eddie Island, who argued that the increased financial aid was inadequate. He said the purpose of UC as a public land-grant institution was to make high-quality education attainable by even the least-advantaged classes of society. "That was our original mission and we've gotten away from that."

Board Chairman Richard Blum countered that the schools face losing their best faculty without further funding, noting that the Haas school lost 10 of its 13 accounting professors in just one year.

Regent Peter Preuss said, "If we don't act, our quality will go down."

Regents voting against the measure were Island, Benjamin Allen, Odessa Johnson, Frederick Ruiz and Lt. Gov. John Garamendi.

On the other side of the ledger, in response to alarms over the loss of underpaid professors, the regents also approved hefty salary raises for a substantial portion of the faculty with an intent to push academic compensation to market levels within only four years.

"The faculty is the University of California's most valuable resource," UC Provost Rory Hume told the regents.

The increases, however, are premised on increased funds, including promised money from the state next year that appears threatened by shrinking state revenues.

Under new salaries due to take effect Oct. 1, an instructor's yearly salary "scale" could rise to \$53,200 from a base salary of \$48,200 a year ago, while a full professor at the highest rank would be placed at a \$164,700 "scale," up from a base salary of \$154,800 in October 2006. These figures, however, do not represent the actual increases since each individual's raise will depend on how far he or she lags behind the market, UC officials said.

The raises are designed to boost overall salaries, bring more equity to faculty pay and make more actual salaries consistent with the official scale. Only 16 percent of actual salaries now match the scale, UC officials said. At the end of four years, 61 percent would be paid at scale under the new measure.

The plan would cost about \$52.7 million in the first year, of which \$7.5 million would have to be raised from as yet unknown sources. In the succeeding three years, an additional \$20 million each year would need to be raised, according to Katherine Lapp, UC executive vice president for business operations.

Funding for the salary boost is expected to come in part from promised increases in state funding, but regents Blum and John Moores cautioned that a significant drop in taxes paid on capital gains could imperil the university's revenue projections.

UCSF Professor Mary Croughan, vice chair of the university-wide Academic Senate, noted that the salary boost means that some better-paid professors are sacrificing raises in order to help lower-paid colleagues receive more. The cost-of-living increase will be only 2.5 percent instead of 4.5 percent or 5 percent, she said. In addition to cost-of-living increases, professors with sub-market salaries also will be eligible for market-adjustment raises.

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