

Materials on the proposed new policy APM – 668, Negotiated Salary Program (August 2011)

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A. History of policy development and need for policy

A.1. Follow-up on 2010 Taskforce report. The Negotiated Salary Program (NSP) is designed to be one of several efforts through which the University maintains its competitiveness in general campus faculty compensation.¹ Given the University of California’s limited and dwindling state salary resources, remaining competitive in the marketplace can be partially achieved by developing a more flexible compensation model for general campus faculty that, like the health sciences compensation plan, (1) uses non-State resources to compensate outstanding faculty where appropriate; (2) assures that the required mix of teaching, research and creative activities, and service remains; (3) provides incentives for particular achievements while still recognizing academic merit; and (4) offers consistent benefits and privileges to faculty. As noted in the June 2010 Joint Senate-Administration Compensation Plan Steering Committee report, the proposed policy “is seen as a relief valve on the pressures otherwise mounting through reliance on ad hoc use of retention requests, which would further consume constrained state funds and impinge on the UCRP” (see <http://www.ucop.edu/acadpersonnel/policy.html> for report and cover letter).

The current draft policy (APM - 668) has been developed from the June 2010 recommendations of the Steering Committee. While endorsing continued efforts to increase academic salary scales as a priority, the Steering Committee found increasing the scales alone to be an inadequate solution, especially for faculty working in the most market-sensitive areas. Thus, the committee agreed that a policy-based additional compensation program would be necessary to provide a common administrative framework within which a school or academic discipline could provide additional compensation to its faculty, based on a shared set of principles. In other words, NSP will be an augmentation to the merit-based step system and is designed for use in select situations.

This policy applies many of the principles guiding the current Health Sciences Compensation Plan (HSCP, APM - 670) to the situation of general campus faculty. The HSCP allows UC to award competitive salaries to Health Sciences faculty by drawing on a broad range of revenue funds, including clinical income as well as endowment earnings, grants, and contracts. However, the current draft of APM - 668 is structured on other UC Additional Compensation policies rather than on the HSCP, due to differences between general campus and health sciences faculty activities; for example, clinical responsibilities do not play a major role for most general campus faculty. This focus on existing Additional Compensation practices allows the NSP to be simpler than the HSCP.

¹ General Campus faculty refers to faculty who are NOT in the Health Sciences and not covered by the University’s Health Sciences Compensation Plan.

Finally, it should be noted that use of the policy will be a campus-by-campus decision and that the current role of faculty in evaluation and review is not altered.

A.2. Why the University's current compensation framework needs augmentation. The rank and step system is a central tenet of UC faculty compensation. University administration remains committed to the system and the Steering Committee's recommendation clarified the system's fundamental place in faculty salaries. The adoption of the NSP should be seen as an augmentation to the rank and step system, needed even in the welcome circumstance of regular increases to the faculty salary scales. In the near term, increases to the scales are likely to be modest at best, leaving them still inadequate in meeting market demands in many disciplines.

Under the current salary scales, in order to meet market conditions for many faculty, the University must offer larger and larger off-scale salaries (67% of ladder-rank faculty are currently off-scale). This mechanism (the award of ad hoc state-funded off-scale salary increases in response to external offers and market conditions) is reactionary, non-uniform, expensive, and sometimes counter-productive. In some disciplines, faculty are all but encouraged to entertain offers from competing universities as the only means to secure a market-based salary.

An additional increase in the current salary scales would begin to address this situation, but would not, by itself, fully address the issue of market competitiveness. Because market forces vary greatly by discipline, an across-the-board increase in the salary scales in isolation would not provide sufficient flexibility to meet all market conditions. But perhaps most important, addressing the salary lag via the salary scales alone does not tap the many sources of self-generated income to which various disciplines or individual faculty may have access.

Ironically, competition from within the UC system is also a stress on salaries. UC health sciences schools, because they have more flexibility in structuring salaries through HSCP, are becoming increasingly attractive to campus basic sciences faculty, who see the potential to earn considerably more under the HSCP. The NSP would allow basic scientists to have competitive salaries that are commensurate with those offered in the health sciences while remaining in their general campus departments.

The NSP will not solve all current salary challenges, but will contribute to UC competitiveness. The proposed NSP would provide a more uniform approach to competitive salaries than currently exists on the general campuses, while still allowing campuses to decide whether or not to participate. In summary, the NSP will:

- help to reduce reliance on diminishing State-appropriated funds for market-driven salary costs (but not base salary costs);
- utilize appropriate State and non-State resources to support competitive faculty compensation;
- allow the campuses to compensate faculty at closer to market-competitive levels when this can be achieved using non-State-appropriated funds;
- demonstrate a commitment to high achieving faculty by rewarding significant contributions to the University mission including generation of non-State-appropriated funds to support faculty activities;

- improve salary satisfaction for highly marketable faculty, for whom additional scarce State resources would otherwise be required to fund retention counteroffers;
- encourage an entrepreneurial spirit while facilitating the achievement of school, college, department and/or individual goals.

B. Frequently asked questions on APM - 668

- 1. Who would use this program?** This is difficult to estimate accurately, since the NSP involves at least three kinds of funding for faculty efforts: gifts and endowments, professional fees and fees in self-supporting programs, and faculty who can put academic year effort on contracts and grants. University-wide, there are over 4700 endowments that support departments, chairs and professorships, and research. Some of these endowments allow for salary funding while others will not. For faculty with sustained efforts on contracts and grants, campus Vice Provosts estimate that a few hundred faculty would have the kind of support needed to take part in the program, since they would be likely to fund their summer research efforts first. Faculty participation in the Furlough Exchange Program also suggests that a portion of the faculty with external funding of various kinds do have flexibility in funds that can support salary; NSP would allow them to take advantage of this flexibility. The University has a growing number of Professional Degree Supplemental Tuition (PDST) programs, and faculty members teaching in them might choose to take part in the NSP. Some of UC's professional schools have a history of supporting base faculty salaries through tuition/professional fees, and this program would not replace current funding situations (although it would potentially give schools additional flexibility to meet salary needs in the future). We understand that some campuses may choose not to adopt the NSP at all; these are generally campuses that do not already have the HSCP.
- 2. Why doesn't the University just raise the salary scales and reward all faculty for performing their duties through difficult budget times?** Through ongoing efforts, the President is working to increase faculty salaries. The Board of Regents has already approved a 3% salary increment for 2011-12, and the President has just announced details of this salary program. The President is also developing a 5-year budget plan with a built in assumption that faculty salaries will need to go up 3% annually, in addition to the 1.78% allocated to merit and advancement reviews. The NSP would be a salary tool to be used in addition to these salary processes.
- 3. Doesn't the University have other ways to accomplish the goals of the NSP?** The NSP encourages faculty to engage in activities which bring external support to the University, thus creating more flexibility in financing faculty work. UC joins other public and private institutions that are raising their endowments, establishing fee-generating professional programs, and encouraging faculty to support their efforts through external grants. The NSP would create a common administrative framework and shared set of principles and practices for managing external funds that support faculty work.

4. What do federal funding agencies say about salary and compensation? Faculty and administrators developing the NSP have recognized that the program must be in compliance with federal regulations, and the program has been designed with such regulations in mind. The following are the most relevant standards, which should be taken into account by participating units in designing their implementation plans.

a) **OMB circular A-21.** “Cost Principles for Educational Institutions” (OMB Circular A-21) sets out the principles that universities must use in determining costs that may be charged to federal grants, contracts, and other agreements. Under OMB Circular A-21, costs charged to federal grants must be reasonable, allocable, and consistently applied:

http://www.whitehouse.gov/sites/default/files/omb/assets/omb/fedreg/2005/083105_a21.pdf

“The tests of allowability of costs under these principles are: they must be reasonable; they must be allocable to sponsored agreements under the principles and methods provided herein; they must be given consistent treatment through application of those generally accepted accounting principles appropriate to the circumstances; and they must conform to any limitations or exclusions set forth in these principles or in the sponsored agreement as to types or amounts of cost items.” (See 2 CFR 220, Appendix A, Part C.2, Factors Affecting Allowability of Costs)

With respect to consistency, OMB Circular A-21 notes that:

“Major considerations involved in the determination of the reasonableness of a cost are: . . . the extent to which the actions taken with respect to the incurrence of the cost are consistent with established institutional policies and practices applicable to the work of the institution generally, including sponsored agreements.” (See 2 CFR 220, Appendix A, Part C.3, Reasonable Costs)

Under OMB Circular A-21, compensation is allowable as a direct cost (see 2 CFR 220, Appendix A, Part D.2). Details regarding the calculation of compensation that may be permissibly charged to federal grants are set out in Section J.10, including specific provisions relating to “Salary rates for faculty members”:

“(1) Salary rates for academic year. Charges for work performed on sponsored agreements by faculty members during the academic year will be based on the individual faculty member's regular compensation for the continuous period which, under the policy of the institution concerned, constitutes the basis of his salary. Charges for work performed on sponsored agreements during all or any portion of such period are allowable at the base salary rate. In no event will charges to sponsored agreements, irrespective of the basis of computation, exceed the proportionate share of the base salary for that period. This principle applies to all members of the faculty at an institution.” (See 2 CFR 220, Appendix A, Part J.10.d)

- b) **National Institutes of Health.** The National Institutes of Health (NIH) Grants Policy Statement (http://grants.nih.gov/grants/policy/nihgps_2010/index.htm) specifies the following with regard to “Institutional Base Salary,” and “Salary and Wages”:

Definition of Institutional base salary: “The annual compensation paid by an organization for an employee's appointment, whether that individual's time is spent on research, teaching, patient care, or other activities. Base salary excludes any income that an individual may be permitted to earn outside of duties for the applicant/grantee organization. Base salary may not be increased as a result of replacing organizational salary funds with NIH grant funds.” (See NIH Grants Policy Statement, Part I, Section 1.2, Definition of Terms)

http://grants.nih.gov/grants/policy/nihgps_2010/nihgps_ch1.htm#definitions_of_terms

“Selected Items of Cost: Salaries and Wages: Allowable. Compensation for personal services covers all amounts, including fringe benefits, paid currently or accrued by the organization for employee services rendered to the grant-supported project. Compensation costs are allowable to the extent that they are reasonable, conform to the established policy of the organization consistently applied regardless of the source of funds, and reasonably reflect the percentage of time actually devoted to the NIH-funded project. Direct salary is exclusive of fringe benefits and F&A costs.” (See NIH Grants Policy Statement, Part I, Section 7.9.1)

http://grants.nih.gov/grants/policy/nihgps_2010/nihgps_ch7.htm#selected_cost_items

A 2005 Q&A document for Health Sciences prepared by the Association of American Medical Colleges, in consultation with NIH personnel, elaborated on these issues:

“Question: In what circumstances can an institution increase a faculty member's existing Institutional Base Salary based on receipt of a new grant award that provides support to the faculty member's salary?”

“Answer: Grant funds can replace, not increase, a faculty member's salary. A-21 requires that to be allowable, a cost has to be, among other things, reasonable. And “reasonable” includes being consistent with established institutional policies that are applicable to the work of the institution generally, including sponsored agreements – not just sponsored agreements. In other words, institutional policies cannot provide for salary increases based only on receipt of federal grant support.

“To repeat, an institution can't increase salary simply because part or all of the effort is now charged to a Federal award, assuming that the duties are essentially the same. Institutions can adjust compensation based on past performance and current responsibilities if the adjustment is done on a consistent basis, regardless of the source of support. Therefore, the faculty member's IBS can be reevaluated the next time these levels are set by the institution.” February 10, 2005.

<http://research.fiu.edu/effort/documents/aamcEffortReporting.pdf>).

- c) **The National Science Foundation.** The National Science Foundation (NSF) Proposal and Award Policies and Procedures Guide (<http://www.nsf.gov/pubs/policydocs/pappguide/nsf11001/index.jsp>) states:

“NSF regards research as one of the normal functions of faculty members at institutions of higher education. Compensation for time normally spent on research within the term of appointment is deemed to be included within the faculty member’s regular organizational salary.

“As a general policy, NSF limits salary compensation for senior project personnel to no more than two months of their regular salary in any one year. This limit includes salary compensation received **from all NSF-funded grants**. This effort must be documented in accordance with the applicable cost principles. If anticipated, any compensation for such personnel in excess of two months must be disclosed in the proposal budget, justified in the budget justification, and must be specifically approved by NSF in the award. These same general principles apply to other types of non-academic organizations.

“NSF award funds may not be used to augment the total salary or salary rate of faculty members during the period covered by the term of faculty appointment or to reimburse faculty members for consulting or other time in addition to a regular full-time organizational salary covering the same general period of employment. Exceptions may be considered under certain NSF programs, e.g., science and engineering education programs for weekend and evening classes, or work at remote locations. If anticipated, any intent to provide salary compensation above the base salary must be disclosed in the proposal budget, justified in the budget justification, and must be specifically approved by NSF in the award budget.”

See NSF Proposal and Award Policies and Procedures Guide, Part I, Section II.C.2.g (i) (a), Senior Project Personnel Salaries & Wages Policy; and Part II, Chapter V. B.ii(a), Senior Project Personnel Salaries and Wages.

http://www.nsf.gov/pubs/policydocs/pappguide/nsf11001/gpg_2.jsp#IIc2gi

“All remuneration paid currently or accrued by the organization for employees working on the NSF-supported project during the grant period is allowable to the extent that:

“(a) total compensation to individual employees is reasonable for the work performed and conforms to the established policy of the organization consistently applied to both government and non-government activities.”

See NSF Proposal and Award Policies and Procedures Guide, Part II, Chapter V.B.1.a(i), Salaries and Wages, All Grantees

http://www.nsf.gov/pubs/policydocs/pappguide/nsf11001/aag_5.jsp#VB1a

Summary on question #4. Applicable rules vary by funding agency and contract/grant. Several features of the proposed policy are designed with these requirements in mind: the eligibility criteria that considers factors beyond the availability of contract and grant funds, uniform application of the negotiated salary rate across all fund sources, and the adherence to an annual or two-year NSP (which will remain in effect regardless of whether the faculty member obtains new or retains previously obtained external funding). This draft policy has been reviewed by Financial Accounting, the Office of General Counsel, and the Office of Research and Graduate Studies. The Office of the

President recognizes that this new compensation policy reconceives some long-standing processes in the management of general campus salary.

- 5. What restrictions are there on such a program, either through funding agencies and foundations or internal policy?** The awarding of salary must be in line with UC policy, gift and endowment memoranda of understanding, contract and grant award terms, and federal and state regulations. See answer to Question #4 for excerpts of the most applicable federal policy.
- 6. What is the relationship of this program to the Health Sciences Compensation Plan (HSCP) in APM - 670? Why can't that program just be used in select departments?** The HSCP demands that all faculty in a participating school take part, on the assumption that they are all taking part in duties that include generation of external funds (clinical funds, grants and contracts, consulting, etc.). While this model might be appropriate for a few general campus departments or sub-disciplines, it would not work for most of the faculty who will participate in NSP, who may be part of a small group in their department or school who participate. Many of the principles of the HSCP have helped the University develop the NSP, however. A key factor driving the creation of the NSP is that on several UC campuses with Health Sciences schools, general campus faculty are considering appointments in the health sciences, often due to the flexibility of the salary benefits.
- 7. Do other universities have similar programs?** Our peer universities, both public and private, have or are developing programs that encourage faculty members to engage in activities that generate external funding for the university. More than in the past, faculty members are encouraged to put academic year research effort on contracts and grants. Our competitors are developing programs that allow faculty salaries to be paid, in part, through endowments, contracts and grants, and special course fees (Executive MBA programs and other professional graduate degrees in particular). Private Universities are doing more than in the past to encourage faculty members to put research effort on contracts and grants and are offering back to the faculty member professional development funds out of the base salary that has been replaced. The faculty member usually retains a portion but not usually all of the released funds. Public institutions have more varied policies and practices, which often vary by college within the institution. Some have faculty on less than 100% appointments with the assumption that the faculty member will put the remaining percent of time on external funds, including endowments and contracts. Some allow indirect cost dollars to support department or individual faculty members' research activities as well as salary increments.
- 8. Why are the dates of participation always fixed to begin on July 1 and run for a full fiscal year?** The NSP is not a "bonus" program for one-time actions, but a program that allows for a negotiated salary component based on several factors. To be in compliance with sound accounting practices, the salary must be negotiated for an entire year.

- 9. Why is there a “contingency fund contribution” for those who participate in the program? How would it be used?** The program allows a campus to set a standard contingency fund contribution to cover the costs of negotiated salaries in unforeseen situations: the illness of the faculty member, the discontinuation of a contract, reduction in endowment earnings or fees. Some campuses may choose to administer the program and this contingency fund at the school level.
- 10. Are fiscal year faculty eligible?** Yes, and this program allows faculty on a fiscal-year salary a new flexibility to contribute to their own compensation through their professional activities.
- 11. What is the effect of the NSP on faculty consulting activities?** The NSP does not change general campus faculty members’ obligations to have consulting approved and reported in accordance with APM – 025. Consulting income is not a part of the NSP.
- 12. What is the University policy about putting effort on endowments, course fees, and contracts and grants?** Several APM policies govern the relationship between faculty salaries and fund sources, and these are different for ladder-rank faculty titles than for other faculty titles. See APM – 190 (Appendix F), APM – 191-D-2 & D-5, APM – 220 (Appendix A), APM 660, and APM – 667. See also APM 270, 275, 278, 280, and 670.
- 13. What is the plan for adding a “defined contribution” component to the negotiated salary component?** Human Resources at UCOP is developing policy to put the negotiated salary component under a defined contribution retirement plan, similar to the current plan for summer salary. The employer’s contribution to the defined contribution plan will be the funding source.
- 14. Why is there so much review? Couldn’t this be simpler?** The common administrative framework of the NSP is needed to ensure that the NSP program meets University policy for the awarding of salary.
- 15. When could this plan be available for faculty participation?** If the NSP is approved, a participating campus will need to develop a local implementation plan (see 668 – 10). Depending on the approval date, it may be possible for campuses to begin programs for fiscal year 2013.

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June 15, 2012

To: Executive Vice President and Provost Lawrence Pitts

From: Susan Carlson, Vice Provost for Academic Personnel (UCOP) (convener)
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Susan Carlson
for the Taskforce

Subject: Report from Taskforce on a negotiated salary plan for the general campus

In February 2012, you convened a Taskforce on a faculty negotiated salary plan for the general campus. You took this action after systemwide review of proposed APM – 668, a review which generated a mixed response to the possibility of a negotiated salary program for the general campus.

The Taskforce charge was as follows:

To explore and recommend possible paths forward in consideration of a negotiated salary plan in the light of the serious shortfall in UC salary competitiveness and the concerns about the proposed APM – 668 raised by the Academic Council. The Taskforce may explore possible mechanisms for quantifying the risks and benefits in such a plan. The Taskforce may define parameters of such a salary plan, i.e. should the plan be limited to specific units or disciplines or campuses? Taskforce members should confer with their constituencies during plan development as may be appropriate. The Taskforce will meet in person once and by phone at least twice per month until its final report is complete. Final report due to Provost by June 15, 2012.

The Taskforce met by teleconference five times (February 28, March 14, April 2, and 26, and June 4) and in person on May 14 in Oakland.

Recommendation

We are recommending adoption of a “General Campus Negotiated Salary Trial Program” as outlined in the attached document. We have come to consensus that a four-year Trial Program on three campuses meets a pressing recruitment and retention need while putting in place data collection to allow for a full assessment of the program during its third year. We recommend the Trial Program take effect on July 1, 2013. In order for this to occur, final review, endorsement and approval needs to occur no later than December 1, 2012 in order to give campuses enough time to plan, train personnel, and put in place reporting metrics.

Background

The Taskforce began its work with a review of nearly two decades of effort to put a negotiated salary policy in place on the general campus. Taskforce members compiled a matrix of key issues that had come up in the systemwide review of APM – 668 and matched concerns with currently available evidence (or lack of evidence) to address the concerns and proposed evidence to collect in a Trial. With the help of campus partners, staff in Academic Personnel collected available data on cognate salary processes at UC. Most useful were data on the following: HSCP (particularly faculty in the basic sciences and those general campus faculty on split appointments in HSCP), UCR Division of Biomedical Sciences salary program (2007-2011), UCLA Public Health salary processes, and faculty drawing summer salary. The Taskforce collected and reviewed a large body of materials, and these can be made available to aid you in your review of the Trial Program. Minutes for the meetings are also available.

Taskforce discussion revealed a range of opinion about the advisability of a Trial Program. We believe open discussion led to development of Trial Program details that will allow the University to address a particular set of salary challenges while collecting data on the Trial Program’s effectiveness.

Next Steps

The COVC has endorsed instituting a General Campus Negotiated Salary Trial Program, although they should be provided these final documents for review and final endorsement. Senate members of the Taskforce have asked that the Academic Council review and comment on this Trial Program before a final decision is made.

In addition to the “Trial Program” document that is attached, we have also included a template for campus-level Implementation Procedures. If a Trial Program goes forward, each of the participating campuses would use this template to develop campus-based practices; these would be developed in partnership between faculty and administration. While each campus will need to design details of implementation that align with current campus practices, our recommendation is that departures from the Implementation Procedures template would be reviewed and endorsed by the local Senate and EVC and approved by the systemwide Provost, who would consult with the systemwide Senate Chair. Program consistency across campuses is essential to ensure that

the collected data are useful in assessing the program. This assessment process is core to the Taskforce recommendations.

Members of the Taskforce would be pleased to discuss these recommendations with you.

enc: General Campus Negotiated Salary Trial Program
DRAFT Implementation Procedures for Trial Negotiated Salary Program

DRAFT Implementation Procedures for a Trial Negotiated Salary Program
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[This template will be used for any campus participating in the Trial. Revisions to the template at the campus level will be reviewed by the Divisional Senate, approved by the EVC, and forwarded to the systemwide Provost for final approval.]

The “Negotiated Salary Trial Program” (hereafter referred to as “Trial”) is outlined in a Program Document approved by the Provost, after consultation with the Faculty Senate in fall 2012; the Program Document will be appended to each Campus Implementation Procedures document.

All General Campus Academic Divisions (College A, School B, School C, etc.) will have the option to participate in the Trial program. Deans will inform the EVC on or before March 1 which departments will participate in the Trial.

For departments participating in the Trial, all eligible members of the department faculty may participate in the negotiated salary program. All members would receive a copy of the implementation procedures and any other related documents (i.e. Trial Program document).

Proposal Submission Process

For departments who are participating in the Trial:

- Eligible faculty members as provided for in the “General Campus Negotiated Salary Trial Program” (Program document) may participate in the negotiation process.
- Faculty members must have the allowable and appropriate funding resources available to support the total negotiated salary.

No later than March 1 of each year a call will be issued to eligible faculty by their respective home departments regarding the annual negotiation for the coming fiscal year.

Interested and eligible faculty shall submit a Trial Plan Proposal Form for the following year. A common proposal form will allow for a consistent collection of data on the Trial (see “Metrics, Reporting, and Assessment” section of the Program Document).

Negotiations are for one fiscal year effective July 1 and ending on June 30. Retroactive participation is not permitted.

Participation must be renegotiated each year. Renewals are not automatic. The systemwide Provost may suspend the Trial Program on June 30 of any year; an individual campus EVC may suspend the campus participation effective June 30 of any year.

Eligibility and Faculty Responsibilities

Faculty eligibility and responsibilities are outlined in the Program document, and include the following:

- Advancement in rank or step in last academic review (or equivalent satisfactory review)
- Fulfillment of faculty member’s approved teaching load
- University service commensurate with rank and step
- All research contracts and grants in good standing, (e.g. no outstanding agency reports or accounts in deficit)

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- Research support obligations fulfilled, including current students, incoming students, tuition, benefits, research support, post-docs, etc. Faculty have a responsibility to support such costs.
- Compliance with relevant reporting and training requirements.

Evaluation of Proposals

Prior to submission of a proposal, the faculty member must meet with the appropriate campus Fund Manager/Department Business Officer to verify the proposed funding source(s). The Fund Manager/Department Business Officer will confirm that the funding source(s) is allowable and that it will remain in place for the entire fiscal year.

Once the funding has been verified by the Fund Manager/Department Business Officer, the participating faculty member should submit the Proposal Form to her/his department Chair no later than April 1.

The Department Chair and department business office will review the proposal to ensure that:

- The requestor has met or will meet all teaching, research and service obligations; and is in compliance with all applicable University policies, procedures and training requirements
- The amount requested is consistent with these implementation procedures
- Allowable and appropriate resources are available to support the proposal including benefits costs and (if applicable) reserve funds requirement.

The Department Chair will review the proposals and forward endorsed proposals to the Dean no later than April 15. The Dean will review proposals and will forward all endorsed proposals to the EVC on or before May 1.

Each participating campus will review appropriate participation for CAP, so that the review of negotiated salary proposals is in line with other responsibilities of the CAP (or equivalent committee) for that particular campus.

Under Option A, The EVC will forward endorsed proposals to the Committee on Academic Personnel (CAP). CAP will review the proposals in the same manner it currently reviews salary and/or retention recommendations. The EVC will review and inform the dean of approved proposals no later than June 1.

Under Option B, the EVC will review and inform the dean of approved proposals no later than June 1. CAP will receive a report of the actions.

If a proposal is approved by the Chair, Dean and EVC, a salary confirmation letter will be sent to the faculty member confirming the faculty member's total salary for the coming fiscal year. Notification of approved participation will be sent to the faculty member, Chair, MSO, and AP Office.

If the Chair does not endorse and forward a faculty member's proposal, the Chair should meet with the faculty member and if an agreeable change to the proposal is reached, any modification should be documented and the proposal forwarded as outlined above.

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If the Chair does not endorse because a faculty member does not have sufficient funding, the Chair will inform the Dean and the Dean will review. If the Dean concurs with the chair, s/he will communicate the finding to the faculty member and provide the faculty member a summary of review findings.

If the proposal is not endorsed by the Chair because the faculty member does not meet the minimum eligibility criteria, the Chair will inform the Dean and the Dean will review. If the Dean concurs with the chair, s/he will forward the proposal, the chair's assessment and the Dean's assessment to the EVC. These eligibility cases will be reviewed by CAP, who will provide a recommendation to the EVC. The EVC will issue a final resolution within 7 days of CAP review.

Approval Process

Action	Authority	Initial Response	Next Step/Comments
Funding Authorization	Dept business officer	30 days	Resolve any issues with faculty member then forward to chair
Salary Negotiation	Chair	30 days	Negotiate with faculty member and forward endorsement to Dean
Dean Review	Dean	14 days	Review proposal and forward endorsement to EVC
CAP Review <i>Option A only</i>	CAP		
EVC Endorsement	EVC	14 days	Endorse
Eligibility Appeals	EVC	7 days of CAP review	Review case and issue final resolution

Compensation Components

Negotiations between the faculty member and Department Chair will be conducted annually to determine the total UC salary for the year. Total compensation will be established as follows:

Scale-Based Salary

Participating faculty will receive their scale-based salary in addition to an optional negotiated component.¹ The scale-based salary refers to an individual's regular scale salary rate plus any off-scale as approved at the time of hire or as a result of a retention offer or regular academic review. The scale-based salary (scale and off-scale) is considered covered compensation under the University of California Retirement Plan (UCRP) up to the amount permissible by Internal Revenue Code provisions and in accordance with UCRP policy and provisions.

Negotiated Salary Component

A negotiated salary component beyond scale-based salary may be negotiated annually and has a cap of 30% of the scale based salary.

Participation Effective Dates

¹ This Program does not change the faculty member's basic appointment base: academic or fiscal. Those on academic year appointments remain eligible for summer ninths which will continue to be processed under pre-existing guidelines.

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The total UC salary rate will be effective July 1 through June 30. Newly hired faculty with mid-year start dates may participate from the appointment begin date through June 30. Increases negotiated as a result of a formal retention will be effective on July 1 of the next year. Early withdrawal from the program is allowed only upon separation from the University or as a result of an official disciplinary action (as described in APM 015 and 016 and Senate Bylaw 230).

Salary Attributes

The following chart defines the normal funding source for each salary component and whether the salary component is considered covered compensation for UCRP:

Salary Component	Fund Source	Covered Comp?
Scale-Based Rate (rank/step + off-scale, if applicable)	State general funds	Yes
Negotiated Salary Component	External funds	No
Summer Salary	Varies	Not covered comp under UCRP but special Defined Contribution benefit applies (matching 3.5% contributions from employee and employer)
Administrative Stipend (if applicable)	Varies	Yes

Fund sources may come from any combination of external funding sources as defined in the Trial Program document.

Funding must be awarded and in hand prior to June 30 of the current fiscal year to be considered for that year's negotiation. The fund source must cover the entire year of the proposal. There are no exceptions. Funds awarded after the salary rate for the year is established may be considered eligible compensation for the following fiscal year.

Effort for salaries charged to sponsored projects funded by federal sources must be accurately and appropriately calculated and certified.

The total UC salary--scale-based salary plus negotiated component--may not be changed for any reason, including but not limited to: mid-year salary scale adjustments (e.g. general range/COLA), retroactive merit increases, or the receipt of additional contract and grant funds. If a faculty member's salary is raised effective October 1 (or any other date other than July 1) due to a general range/COLA, the negotiated salary component will be adjusted downward while the covered compensation goes up so that the total UC salary remains unchanged for the fiscal year.

Other Additional Compensation

Additional compensation programs for faculty earning summer ninths remain intact. Faculty may earn up to three-ninths additional summer compensation for research, teaching, and/or administrative service. Summer ninths shall be paid at the total UC salary rate (scale-based plus the negotiated salary component) according to standard summer salary policies. Faculty will maximize summer ninth

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June 15, 2012

opportunities before utilizing this Program. Any portion of a ninth paid for service in June shall be based upon the individual's salary in effect on June 30.

If summer salary compensation is based on the academic year salary, Summer Session teaching compensation will be based upon the total UC salary rate (scale-based plus the negotiated salary component) in effect on June 30 of the calendar year in which the Summer Session begins.

All applicable Federal policies still apply. For example, a maximum of 2/9ths summer salary or the equivalent amount of academic year salary may be charged to NSF grants. Agency (e.g., NIH) salary caps must be observed and state funds may not be used to pay the cap gap.

Administrative Compensation

HSCP members, full-time Deans, and full-time faculty administrators (see APM – 240 and 246 for definitions) are not eligible for this program.

Stipends issued for official administrative roles may not be included in the negotiated salary component and must be recorded as separate payments. Classification of official administrative roles will be determined in accordance with campus practice.

Leaves of Absence

While leaves may not be common for Trial participants, sabbatical leave and other leaves with pay will be granted at the total UC salary rate in effect during the period of the leave. State funds may be used only for the portion of a sabbatical leave related to a faculty member's scale-based salary. Plans for leave will be proposed to the department chair according to current procedures.

Medical leave will be granted at the total UC salary rate through June 30 of the year of the leave (see APM – 715). If external fund restrictions preclude payment of medical leave, the department must provide appropriate unrestricted funds to ensure full payment of the total negotiated salary (the negotiated component cannot be paid through state funds). The University is under no obligation to continue the negotiated salary component if the medical leave continues into the next salary negotiation cycle (7/1 - 6/30).

Intercampus Transfers

Temporary intercampus appointments, including Faculty Consultant payments, will be based on the total UC salary rate in effect during the temporary appointment. For permanent intercampus transfers, APM – 510 applies. The negotiated salary component may not be a factor in determining a competing UC offer (see Appendix A in APM – 510). If the new campus is participating in the Trial program, the faculty member must negotiate a new proposal with his/her new campus.

Overload Teaching

If any portion of the negotiated salary component is based on overload teaching in a self-supporting UC program, the appropriate number of consulting days must be forfeited in accordance with APM 025.

Financial Responsibility

The Dean or his/her designee is responsible for managing funding of the negotiated salary program and will cover a faculty member's total UC salary for the entire fiscal year period (7/1 to 6/30). The Dean may establish a sufficient reserve fund to serve this purpose.

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Funding obligations for the total UC salary including negotiated component—as well as other research responsibilities such as reserve fund requirement, NIH salary cap gap, graduate student support, salary threshold levels, research equipment, benefits, salary raises, etc.--must be met and therefore this must be determined during the negotiation process.

Where applicable, the reserve fund will be built via the accumulation of faculty released base-salary by supporting a portion of the base on non-state sources. A faculty member participating in the Trial is required to release base-salary equal to a percentage (to be determined by the campus) of the negotiated component. If a faculty member loses funding during the annual negotiated year period, the department must assure the faculty member receives his/her total negotiated UC salary for the year.

The reserve fund account minimum balance will be set by the Dean or his/her designee. If accumulations fall below this level, an increase in contribution rates or a transfer of non-state-appropriated general funds will be required to bring the balance to the required level. Use of any reserve fund surplus will be reviewed by faculty in the affected unit and approved by the Dean and the EVC.

It is expected that Deans will discuss with the faculty (a Faculty Executive Committee, for example) the usage of surplus funds. Additional input or practices may be developed by faculty in the decanal unit.

Reserve account accumulations and expenditures are to be reported annually to the EVC, including what faculty consultation occurred regarding the use of the funds.

Reporting

The EVC is responsible for reporting on campus participation to the Systemwide Provost annually.

Notification, Documentation and Implementation

Approved proposals will be documented in writing and signed by the faculty member, Department Chair, Dean, and EVC.

Department Responsibilities

- Forward the EVC's the annual call to the departmental faculty
- Document the funding authorization process used for all proposals
- Document the methodology used to determine the negotiated salary component in each case
- Issue an annual salary confirmation letter to the faculty member
- Enter the negotiated salary in the payroll system
- Perform a post-audit of the salary implementation in payroll
- Provide annual documentation of teaching and service activities and extramural expenditures for graduate students for all participating faculty. Explain changes in student support levels.

Dean's Responsibilities

- Notify the EVC by March 1 as to which departments will participate
- Ensure all participation criteria have been met and maintain documentation of reviews

DRAFT Implementation Procedures for a Trial Negotiated Salary Program
June 15, 2012

- Forward to EVC information on proposed faculty participation by May 1
- Ensure payroll action matches the approved negotiated salary amounts
- Report funding summary to the EVC.

EVC Responsibilities

- Issue annual call to participating units
- Submit proposals to CAP (Option A) or report negotiated salaries to CAP (Option B)
- Review faculty appeals of negative findings by the Dean and Department Chair
- Maintain appeal resolution documentation
- Notify the faculty member, Department Chair, and Dean of approved plans
- Maintain open communications with Academic Senate on implementation issues and concerns
- Serve as Office of Record for approved proposals
- Forward the Campus Implementation Procedure to the UC Provost for approval
- Provide annual report to the divisional Academic Senate by October 1
- Prepare data for Provost annually as required by Office of the President.

CAP Responsibilities

- Review proposals prior to approval. Provide input to EVC (Option A). Or, review list of negotiated salaries (Option B).
- Review faculty appeals of negative findings by the Dean and Department Chair where eligibility is at issue
- Review post audit annual reports on participation; provide feedback to EVC if there are issues or concerns.

Academic Senate Council Responsibilities (both divisional and systemwide)

- Receive annual report on Trial participation and metrics. Forward to appropriate Divisional and Systemwide committees for analysis and input.
- Respond to third-year review of Trial program and its future status.



OFFICE OF THE PROVOST AND EXECUTIVE VICE PRESIDENT

OFFICE OF THE PRESIDENT
1111 Franklin Street, 12th Floor
Oakland, California 94607-5200

February 5, 2013

CHANCELLOR GENE D. BLOCK, UCLA
CHANCELLOR MICHAEL DRAKE, UCI
CHANCELLOR PRADEEP K. KHOSLA, UCSD
INTERIM EXECUTIVE VICE CHANCELLOR AND PROVOST SUSAN BRYANT, UCI
EXECUTIVE VICE CHANCELLOR SURESH SUBRAMANI, UCSD
EXECUTIVE VICE CHANCELLOR SCOTT WAUGH, UCLA

RE: General Campus Negotiated Salary Trial Program

Dear Colleagues:

I have had input now from both the Council of Vice Chancellors and the Academic Council about the option for a General Campus Negotiated Salary Trial Program. This input was in response to then Provost and Executive Vice President Lawrence H. Pitts' memo of June 25, 2012 seeking review of the final report from the joint Senate-Administration Taskforce on a negotiated salary plan.

The members of the Council of Vice Chancellors (COVC) remain supportive about moving ahead with a Trial program, one that can be used to measure the effectiveness and impact of such salary practices. I understand that the Executive Vice Chancellors/Provosts of the Irvine, Los Angeles, and San Diego campuses are interested in participating in such a Trial program.

In contrast to the COVC, the Academic Council has deep and continuing concerns about the details of the Trial program as developed by the joint Senate-Administration Taskforce and is disappointed that most of the Senate's concerns with proposed APM 668 were not substantively addressed in the plans for the Trial program. The Senate, however, does not oppose moving ahead provided that individual campus participation is approved through a formal letter from the divisional Senate Chair to his/her EVC (see enclosed November 28, 2012 Council letter). I understand that the San Diego division supports participation in the Trial program but the Irvine and Los Angeles divisions do not support participation.

Before deciding how to proceed amid these conflicting views, I carried out several activities. I reviewed the June 15, 2012 Taskforce report to then Provost and Executive Vice President Lawrence Pitts. The Taskforce consisted of four representatives from systemwide Senate committees and the Academic Council and four campus administrators. According to the report, they recommended "adoption of a 'General Campus Negotiated Salary Trial Program' as outlined in the attached document." The report is not entirely specific about the extent to which campus Senate and administrative leaders must agree in order to proceed, but it is written as though Irvine, Los Angeles, and San Diego will participate.

I also reviewed Standing Order (of the Regents) 105.2 Duties, Powers, and Privileges of the Academic Senate. It is clear that the Academic Senate has the right to express “its views on any matter pertaining to the conduct and welfare of the University.” The areas in which Academic Senate decisions are determinative, subject to approval of the Board, are clearly laid out. There is nothing that suggests that the issues addressed by the Trial program or by proposed APM 668 before it are ones where the Senate’s views are determinative.

Finally, I consulted briefly with former Provost and Executive Vice President Pitts and extensively with UC Vice Provost for Academic Personnel Susan Carlson, who served as convener for the Taskforce and was deeply involved in its work and the work surrounding proposed APM 668 before that. In addition, I discussed the various issues and options with the current systemwide Senate leaders, Chair Powell and Vice Chair Jacob, who in my experience are consistently strong advocates for Senate positions and certainly were such in this instance.

With some reluctance, given the extent of negative opinions among the faculty, I have decided to accept the Taskforce Recommendations (as outlined in the enclosed June 15, 2012 “General Campus Negotiated Salary Trial Program” document) to move ahead with a Trial program to take effect on July 1, 2013. As outlined in the Trial Program document, the Executive Vice Chancellor/Provost (EVC/P) on each of the campuses potentially interested in such a plan – Irvine, Los Angeles, and San Diego – may decide whether to participate in the Trial program and if so, to create implementation documents following the Template developed by the Taskforce (enclosed). San Diego, with the support of its Senate, decided some time ago to participate. Irvine and Los Angeles will need to decide.

I strongly encourage the campus administrative and Senate leaders on each participating campus, but particularly Irvine and Los Angeles where faculty are negative, to work closely together so that any Trial program that is undertaken is as responsive to campus conditions and sentiments as it can be – while still meeting the requirements for participation. In addition, I ask that each campus that submits a plan also provide statements from the EVC/P and the Senate divisional chair regarding the consultation process and the resulting plan itself. Both parties should prepare their own statements and have the opportunity to review and respond to the other party’s statement prior to sending everything to me.

After reviewing the recommendations of the Academic Council and other Senate bodies, I have decided to extend the trial from four to five years with the full review to occur during year four, that is in 2016. This will allow us to make a more informed determination about the program and whether it has met its goals. In particular, we need to know what success or failure would look like and gather appropriate information to make informed judgments.

I have asked Vice Provost Susan Carlson to be responsible for working with participating campuses to gather the necessary information. Since the various responses collected by the Academic Council contain continuing concerns that the “Metrics, Reporting, and Assessment” outlined in the Program document are not sufficient, I am asking that she work with a small group to refine the metrics, reporting, and assessment. Please send Vice Provost Carlson the name of the appropriate person from your campus to join this working group, preferably someone with expertise in program evaluation and assessment. I will ask Chair Powell to

recommend a Senate member as well. Vice Provost Carlson will convene the working group quickly to ensure these details are worked out well before the July 1 start date.

I ask that the EVC/P on each participating campus send me potential Implementation Guidelines for your campus as early as you have them ready and no later than February 22, 2013 if possible. Because Irvine and Los Angeles learned only via this letter that the Trial program may be implemented on the campus if they so choose, they may have some difficulty meeting this deadline. If you anticipate delays, please contact me soon with a proposed timetable for your campus' completion of the activities described in this letter. San Diego has known since the end of November that it can develop a Trial program and has always intended to do so; therefore, submission of a plan by February 22, 2013 is expected.

The June 15, 2012 "DRAFT Implementation Procedures for a Trial Negotiated Salary Program" was designed by the Taskforce as a template that you can adapt to campus needs. You may not make substantive changes (for example, you could not change the eligibility requirements), but you will need to use terminology that suits your operations. In the section "evaluation of proposals" (p. 2), you will need to select Option A or Option B according to which suits the operation of your faculty committee on academic personnel. Please also list the schools/colleges participating in the Trial program on your campus. The Trial program document assumes that you will develop the plans "in partnership between faculty and administration," and I strongly encourage that. Please review the "Implementation" section of the Program document for further detail (p. 2).

I will review the individual campus implementation plans and the EVC/P's and divisional Chair's statements about the process and final plan with systemwide Academic Senate Chair Robert Powell, who may wish to have chairs of the appropriate systemwide Senate committees also engaged, and let you know quickly about any issues identified. Please consult with Vice Provost Carlson about issues that may arise in the development of your plan. In general you should not depart from the Implementation Guidelines. If you feel any deviation is necessary, the changes must be reviewed by the campus Senate, the EVC, and the systemwide Senate Chair before final approval by me (see June 15, 2012 report from the Taskforce).

I regret that there is much disagreement among faculty and administrators about the wisdom of embarking on a General Campus Negotiated Salary Trial Program. I expect that the participating campuses will be vigorous in their ongoing efforts to obtain information that will be useful to us all as we seek to understand whether a systemwide program can be a valuable component of our efforts to support UC faculty.

Cordially,



Aimée Dorr
Provost and Executive Vice President
Academic Affairs

General Campus Negotiated Salary Trial Program

February 5, 2013

Page 4

Enclosures:

November 28, 2012 letter from Academic Council Chair Powell
to Vice Provost Susan Carlson

June 15, 2012 Taskforce Report

June 15, 2012 Taskforce General Campus Negotiated Salary Trial Program

June 15, 2012 Taskforce Implementation Procedures
for the Trial Negotiated Salary Program

cc: President Yudof
Academic Council Chair Powell
Vice Provost for Academic Personnel Carlson
Division Chair Gilly (UCI)
Division Chair Sarna (UCLA)
Division Chair Masters (UCSD)
Executive Director Winnacker



Office of Executive Vice Chancellor and Provost

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March 22, 2013

Aimée Dorr
Provost and Executive Vice President
University of California Office of the President
1111 Franklin Street – 12th Floor
Oakland, CA 94607

Dear Provost Dorr:

Pursuant to your February 5, 2013 letter to the Irvine, Los Angeles, and San Diego campuses, enclosed for your review is the Irvine Campus' Final Implementation Procedures document for the Negotiated Salary Trial Program. A draft document was widely circulated to UCI administrative, academic and Senate leadership on March 4, 2013. The consultative process that followed engaged a broad segment of the UCI campus community and resulted in the attached changes to the original draft. Two major changes that resulted from the process should be highlighted.

First, several stakeholders, especially the Academic Senate and the Graduate Division, expressed concerns regarding the potential for reductions in graduate student and postdoctoral support as a result of NSTP participation. In an effort to increase oversight and possibly prevent such actions, we modified our NSTP participation request form to require a listing of pre- and post-plan staffing obligations, and explanation of any reductions/lay-off actions during the year of participation. Academic Personnel will also provide for additional review of lay-off actions involving NSTP participants.

Second, following extensive discussions with the Academic Senate, our Program provides for CAP review of "good standing" criteria for all eligible proposals. This agreement was reached after concluding that although this is not a campus at which CAP approves salary actions, CAP review was nevertheless crucial in evaluating the effectiveness of the trial.

You had requested names for a systemwide metrics, reporting and assessment working group, preferably someone with expertise in program evaluation and assessment. To that end, I am appointing Ryan Cherland, Assistant Vice Chancellor, Institutional Research and Decision Support. His knowledge and expertise in these areas make him especially well-suited for this role.

Finally, I am pleased to report that a majority of schools have indicated a willingness to participate in the Program and are engaged in conversations with eligible faculty on the next steps for moving forward.

We will continue to update you on the progress of the Trial as information becomes available.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan V. Bryant". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Susan V. Bryant, Ph.D.
Interim Executive Vice Chancellor and Provost

Enclosures

C: Vice Provost Killackey
Divisional Senate Chair Gilly

Attachment 6

Interim Report
General Campus Negotiated Salary Trial Program (NSTP)
February 2014

Background of the General Campus Negotiated Salary Trial Program

Following consultation with the Academic Senate and Council of Vice Chancellors (COVC), and under the authority of Provost and Executive Vice President Aimée Dorr, a general campus negotiated salary trial program (NSTP) on three campuses (UCI, UCLA, and UCSD) was approved in February 2013. A joint Senate-Administration Taskforce designed metrics to evaluate the effectiveness of the program and forwarded those recommendations to the Provost in June 2013; the metrics for assessment are appended to this report. The Taskforce recommendations were accompanied by a minority report from two of the Taskforce members who expressed concerns about the assessment plan; because of this difference in opinion about the most appropriate metrics for assessment, dialogue about assessment will continue as the data on the trial program are gathered and analyzed. In Fall 2013, work on this first of several required reports began, coordinated by the UCOP-Academic Personnel office and including staff from the three campuses who have responsibilities in academic data.

NSTP Goals

Three goals for the NSTP were determined by the Taskforce and guided the compilation of this report:

- Meet immediate recruitment and retention needs on three campuses, including more competitive salaries for participating faculty.
- Collect information on the use and effectiveness of the program.
- Position University faculty leaders and academic administrators to make a decision about the program after the fourth year review.

Metrics to measure goals for the Trial Program

As outlined by the Taskforce, three types of data will be collected in a series of reports to allow adequate review of the program: 1) Basic Data (people, funding, faculty responsibilities), 2) Data on recruitment, retention, and review, and 3) Survey data involving queries to faculty, academic administrators, and CAP members on their level of satisfaction with the NSTP.

Required Reporting recommended by the Taskforce and mandated by the Provost and Executive Vice President

In the course of the trial, the following reports will be available to the Faculty Senate and academic administrators who are the key stakeholders in this program.

- **Interim report.** Includes prospective information provided in faculty applications for 2013-14. To be processed as soon as possible after July 1, 2013.
- **Annual report, years 1 through 5.** Each campus will provide information that can be rolled into one common three-campus report. In addition to the metrics and survey data (outlined in [Appendix A](#)), each EVC/P will include an administrative assessment of relevant issues, including a review of the personnel process at all levels. Due October 15 each year, in 2014, 2015, 2016, and 2018. (The report that would otherwise have been due in October 2017 will be replaced by the comprehensive fourth year review.)
- **Comprehensive fourth year review and report.** Review of first four years. Will include some data not collected in the annual reviews including more comprehensive survey data. Due Fall 2017.

Interim Report

This interim report compiles data provided by the three participating campuses and covers categories 1.1.1, 1.1.2, 1.1.3, 1.1.4, 1.1.5, and 1.1.6 (in part) in the Taskforce data table (see [Appendix A](#)). It also includes a summary statement on category 1.2.1. Reporting on other categories will be part of the annual reports and the fourth year report. Information here is reported in two sections, the first on faculty participation and demographics and the second on the salaries of faculty enrolled in the trial program.

Faculty Participation and Demographics, FY2014

This "Faculty Participation and Demographics" section of the report provides the following data as described and numbered by the Taskforce in June 2013 (see [Appendix A](#)):

- 1.1.1. Those who participated and who did not. Divisions/schools/colleges participating: number and percentage of total campus.
- 1.1.2. Those who participated and who did not. Departments participating: number and percentages of total campus.
- 1.1.3. Those who participated and who did not. Faculty in participating departments, including both those who did and did not enroll: number and percentage of total campus.
- 1.1.4. Gender and race/ethnicity of faculty in participating units.
- 1.1.5. Rank and step of faculty in participating units.
- 1.1.6. Salary, including scale rate, off-scale, summer ninths, negotiated amount, stipends, other. (Note: Along with the negotiated increment, only scale rate and off-scale or above scale is reported in this interim report; additional detail will be included in the annual report.)

Each of the three participating campuses is operating the trial program according to implementation guidelines developed on the campus and approved by the Provost and Executive Vice President.

Each campus also has determined which schools/colleges are eligible to participate: while UCI and UCSD opened the program to all non-HSCP (Health Science Compensation Plan) schools, UCLA limited its participation to two schools. [Table A](#) provides detail on the division/school/college participation and lists those units participating by name. It is important to note that the trial program is not available to faculty in schools where the HSCP is used or available, so [Table A](#) excludes schools with HSCP eligibility (schools excluded from the trial program are Medicine at UCI; Medicine, Nursing and Dentistry at UCLA; and Medicine and Pharmacy at UCSD). Any faculty member eligible for HSCP is not eligible for NSTP. While both UCI and UCLA have participating units titled "Public Health," neither is participating in the HSCP.

Table A.
Campus Participation in NSTP by Divisions/Schools/Colleges and Department, 2013-2014

CAMPUS	DIVISIONS/ SCHOOLS/ COLLEGES PARTICIPATING	TOTAL CAMPUS DIVISIONS/ SCHOOLS/ COLLEGES (Excludes Health Sciences Schools*)	Participating Divisions/ Schools/Colleges as a % of Total Campus	Departments Participating	Total Campus Departments	Participating Departments as a % of Total Campus
IRVINE	7	14	50%	12	50	24.0%
LOS ANGELES	2	14	14%	9	68	13.2%
SAN DIEGO	8	8	100%	19	32	59.4%

Note: Participating campus Divisions/Schools/Colleges include the following:

IRVINE

BIOLOGICAL SCIENCES
ENGINEERING
PUBLIC HEALTH**
INFORMATION & COMPUTER SCIENCES
PHYSICAL SCIENCES
SOCIAL ECOLOGY
SOCIAL SCIENCES

LOS ANGELES

LIFE SCIENCES
PUBLIC HEALTH

SAN DIEGO

ARTS AND HUMANITIES
BIOLOGICAL SCIENCES
ENGINEERING
PHYSICAL SCIENCES
SOCIAL SCIENCES
INTERNATIONAL RELATIONS/PACIFIC STUDIES
RADY SCHOOL OF MANAGEMENT
MARINE SCIENCES

* HSCP members are not eligible to participate in the NSTP.

** The UCI program in Public Health is not yet officially a school, but is treated as one for most reporting.

Three tables—Tables B1 (Irvine), B2 (Los Angeles), and B3 (San Diego)—provide headcounts of the faculty who have enrolled in the trial program for FY14. The tables also display the percentages of enrolled faculty by department, ranging from a low of 2.8% to a high of 75%. Those schools/divisions/colleges that have faculty in the program are termed “participating” units; those individual faculty who are receiving negotiated salaries are termed “enrolled” faculty. A total of 154 faculty are enrolled, of which six are professors in residence. All but three faculty members are on academic year (9-month appointments). For this preliminary report, the salaries of those three on fiscal year appointments have been converted to academic equivalents; in the annual report these fiscal year enrollees will be analyzed further. Only ladder-rank or in residence faculty who advanced in rank or step in their last academic review are eligible for the program.

Table B1. UC Irvine

Headcount of Enrolled Faculty by Divisions/Schools/Colleges and Department, 2013-2014

CAMPUS	SCHOOL/DIVISION/COLLEGE	DEPARTMENT NAME	Headcount of Enrolled Faculty	% of Total	Total Department Faculty	Enrolled Faculty/Total Department Faculty
IRVINE	BIOLOGICAL SCIENCES	DEVELOPMENTAL & CELL BIOLOGY	3	7.9%	22	13.6%
		ECOLOGY & EVOLUTIONARY BIOLOGY	3	7.9%	28	10.7%
		NEUROBIOLOGY & BEHAVIOR	4	10.5%	20	20.0%
	ENGINEERING	ELECTRICAL ENGR & COMPUTER SCI	4	10.5%	31	12.9%
	INFORMATION AND COMPUTER SCIENCES	COMPUTER SCIENCE	9	23.7%	37	24.3%
	PHYSICAL SCIENCES	CHEMISTRY	2	5.3%	38	5.3%
		MATHEMATICS	3	7.9%	30	10.0%
		PHYSICS AND ASTRONOMY	3	7.9%	45	6.7%
	PUBLIC HEALTH*	PUBLIC HEALTH	2	5.3%	10	20.0%
	SOCIAL ECOLOGY	CRIMINOLOGY LAW & SOCIETY	2	5.3%	19	10.5%
		PSYCHOLOGY & SOCIAL BEHAVIOR	1	2.6%	19	5.3%
SOCIAL SCIENCES	COGNITIVE SCIENCE	2	5.3%	23	8.7%	
IRVINE Total			38	100.0%		

* The Public Health program is not yet officially a school at UC Irvine, but is treated as one for most reporting.

Table B2. UC Los Angeles

Headcount of Enrolled Faculty by Divisions/Schools/Colleges and Department, 2013-2014

CAMPUS	SCHOOL/DIVISION/COLLEGE	DEPARTMENT NAME	Headcount of Enrolled Faculty	% of Total	Total Department Faculty	Enrolled Faculty/Total Department Faculty
LOS ANGELES	LIFE SCIENCES	INTEGRATIVE BIOLOGY & PHYSIOL	3	8.8%	17	17.6%
		MOLECULAR, CELL & DEV. BIOLOGY	3	8.8%	22	13.6%
		PSYCHOLOGY	5	14.7%	65	7.7%
	PUBLIC HEALTH	BIOSTATISTICS	8	23.5%	12	66.7%
		COMMUNITY HEALTH SCIENCES	2	5.9%	18	11.1%
		CTR OCCUPATIONAL & ENVTL HLTH	3	8.8%	4	75.0%
		ENVIRONMENTAL HEALTH SCIENCES	1	2.9%	9	11.1%
		EPIDEMIOLOGY	6	17.6%	12	50.0%
		HEALTH POLICY AND MANAGEMENT	3	8.8%	15	20.0%
LOS ANGELES Total			34	100.0%		

Table B3. UC San Diego
Headcount of Enrolled Faculty by Divisions/Schools/Colleges and Department, 2013-14

CAMPUS	SCHOOL/DIVISION/COLLEGE	DEPARTMENT NAME	Headcount of Enrolled Faculty	% of Total	Total Department Faculty	Enrolled Faculty/Total Department Faculty	
SAN DIEGO	ARTS AND HUMANITIES	VISUAL ARTS	1	1.2%	28	3.6%	
	BIOLOGICAL SCIENCES	DIVISION OF BIOLOGICAL SCI.	13	15.9%	67	19.4%	
	ENGINEERING	BIOENGINEERING		8	9.8%	19	42.1%
		COMPUTER SCI & ENGR		9	11.0%	42	21.4%
		ELECT & COMPUTER ENGR		12	14.6%	44	27.3%
		MECHANICAL & AEROSPACE ENGR		5	6.1%	41	12.2%
		NANOENGINEERING		2	2.4%	13	15.4%
		STRUCTURAL ENGR		1	1.2%	21	4.8%
	INTERNATIONAL RELATIONS/PACIFIC STUDIES	GRAD.SCH. INT.RELAT./PAC.STUD.	2	2.4%	25	8.0%	
	MANAGEMENT	RADY SCHOOL OF MANAGEMENT	2	2.4%	25	8.0%	
	MARINE SCIENCES	SIO DEPARTMENT	8	9.8%	87	9.2%	
	PHYSICAL SCIENCES	CHEMISTRY & BIOCHEMISTRY		9	11.0%	49	18.4%
		MATHEMATICS		2	2.4%	45	4.4%
		PHYSICS		5	6.1%	40	12.5%
	SOCIAL SCIENCES	COGNITIVE SCIENCE		1	1.2%	17	5.9%
		POLITICAL SCIENCE		1	1.2%	36	2.8%
		PSYCHOLOGY		1	1.2%	27	3.7%
SAN DIEGO Total			82	100.0%			

Tables C and D provide information on those enrolled with a breakdown by gender and race/ethnicity. The numbers have been provided for the overall three-campus enrollment since cell sizes would have been too small to report for most units. The percentage of women enrolled mirrors closely the percentage of women in the participating departments, with 22.7% of women enrolled and a similar percentage—22.1%—on the faculty in participating units. **Table C** presents the gender data in an alternate way to show that of all those eligible to enroll in participating units, women participated at a slightly higher rate than men (14.1% compared to 13.6%).

Table C.
Gender of Enrolled Faculty to Total Participating Faculty
All Three Campuses, 2013-2014

Enrolled to Participating Ratios		
Female	Male	Total
14.1%	13.6%	13.7%

The breakdown by race/ethnicity is somewhat more variable, although numbers of under-represented minorities are small, both among enrollees and participating department faculty (see **Table D**): one of 20 African/African Americans eligible to participate enrolled (5%); 25 of 199 Asian/Asian Americans (12.6%); 11 of 56 Chicano(a)s/Latino(a)s/Hispanics (19.6%); and 117 of 842 Whites (13.9%). (**Table D** has a slightly different percentage—13.8%—since White and Other are combined for the Table.) No Native Americans/American Indians are on the faculty in participating departments and five faculty members did not self identify.

Table D.
Race/Ethnicity of Enrolled Faculty to Total Participating Departmental Faculty, All Three Campuses, 2013-2014

Enrolled to Participating Ratios					
African/African American	Asian /Asian American	Chicano(a)/Latino(a)/ Hispanic	Native American/American Indian	White/Other	Total
5.0%	12.6%	19.6%	0.0%	13.8%	13.7%

Table E profiles enrolled faculty and all eligible faculty in participating units by rank and step. Over 85% of those enrolled are tenured, with 66% of enrolled faculty at the rank of Professor.

Table E.**Headcount of Enrolled and Participating Faculty by Rank and Step, All Three Campuses, 2013-2014**

Rank/Step	Faculty Enrolled Who Will Receive a Negotiated Increment	% of Total	All Faculty in Participating Units	% of Total
ASSISTANT PROFESSOR				
1	1		3	
2	1		32	
3	3		48	
4	7		54	
5	1		27	
6			2	
ASSISTANT PROFESSOR Total	13	8.4%	166	14.8%
ASSOCIATE PROFESSOR				
1	9		30	
2	19		75	
3	13		67	
4	1		35	
5	1		7	
ASSOCIATE PROFESSOR Total	43	27.9%	214	19.1%
PROFESSOR				
1	4		41	
2	6		59	
3	14		76	
4	11		52	
5	12		89	
6	6		46	
7	9		76	
8	8		45	
9	8		89	
Above	20		169	
PROFESSOR Total	98	63.6%	742	66.1%
Grand Total	154	100.0%	1,122	100.0%

Salary Information, FY2014

The NSTP program document set clear parameters around the determination of a negotiated salary, notably that the negotiated component could be no more than 30% of the scale rate plus off-scale salary (academic or fiscal) or 30% of the above scale salary. The percentage of the negotiated increment varies by individual, not school or department; increments as a percentage of eligible salary range from 4.5% to the maximum of 30%. There were 12 faculty at the maximum. **Tables F, G, H, and I** offer initial information about the negotiated increments and salaries with information available by campus and by rank. This preliminary report does not include information on summer ninths, stipends, or other additional compensation; these will be addressed in the annual report once complete annual information is available.

Table F1.**Sum of Scale Rate, Above Scale Rate, Off Scale and Negotiated Salary Increment
for Enrolled Faculty by Campus, 2013-2014**

Campus	Sum of Scale Rate, Above Scale Rate and Off Scale	Sum of Negotiated Salary Increment	Total of Scale Rate, Above Scale Rate, Off Scale and Negotiated Salary Increment
Irvine	\$4,881,300	\$1,136,628	\$6,017,928
Los Angeles	\$4,559,000	\$960,274	\$5,519,274
San Diego	\$11,652,020	\$1,597,000	\$13,249,020
Grand Total	\$21,092,320	\$3,693,902	\$24,786,222

Table F2.**Headcount by Campus of Percent of Negotiated Salary Increment
to Scale Rate, Above Scale Rate and Off-Scale, 2013-2014**

Campus	Number of Faculty with Negotiated Salary Increments at 10% or less	Number of Faculty with Negotiated Salary Increments between 11% and 20%	Number of Faculty with Negotiated Salary Increments between 21% and 30%	Grand Total
Irvine	7	6	25	38
Los Angeles	8	8	18	34
San Diego	56	11	15	82
Grand Total	71	25	58	154

Table G1.**Sum of Scale Rate, Above Scale Rate, Off Scale and Negotiated Salary Increment
for Enrolled Faculty by Rank, All Three Campuses, 2013-2104**

Rank	Sum of Scale Rate, Above Scale Rate and Off Scale	Sum of Negotiated Salary Increment	Total of Scale Rate, Above Scale Rate, Off Scale and Negotiated Salary Increment
ASSISTANT PROFESSOR	\$1,157,470	\$187,346	\$1,344,816
ASSOCIATE PROFESSOR	\$4,496,600	\$844,285	\$5,340,885
PROFESSOR	\$15,438,250	\$2,662,271	\$18,100,521
Grand Total	\$21,092,320	\$3,693,902	\$24,786,222

Table G2.**Headcount by Rank of Percent of Negotiated Salary Increment to Scale Rate, Above Scale Rate and Off Scale, All Three Campuses, 2013-2014**

Rank	Number of Faculty with Negotiated Salary Increments at 10% or less	Number of Faculty with Negotiated Salary Increments between 11% and 20%	Number of Faculty with Negotiated Salary Increments between 21% and 30%	Grand Total
ASSISTANT PROFESSOR	8	1	4	13
ASSOCIATE PROFESSOR	17	10	16	43
PROFESSOR	46	14	38	98
Grand Total	71	25	58	154

Tables H and I contextualize this information further. In **Table H**, the full negotiated salaries are profiled by rank. In **Table I**, these negotiated salaries are profiled by disciplinary group.

Table H.**Headcount and Minimum, Average and Maximum of Scale Rate, Above Scale Rate, Off Scale and Negotiated Salary Increment for Enrolled Faculty by Rank, All Three Campuses, 2013-2014**

Rank	Headcount	Min of Scale Rate, Above Scale Rate and Off Scale	Average of Scale Rate, Above Scale Rate and Off Scale	Max of Scale Rate, Above Scale Rate and Off Scale
ASSISTANT PROFESSOR	13	\$71,300	\$89,036	\$107,070
ASSOCIATE PROFESSOR	43	\$77,500	\$104,572	\$204,000
PROFESSOR	98	\$96,600	\$157,533	\$306,000
Grand Total	154			

Rank	Headcount	Min of Negotiated Salary Increment	Average of Negotiated Salary Increment	Max of Negotiated Salary Increment
ASSISTANT PROFESSOR	13	\$7,056	\$14,411	\$28,400
ASSOCIATE PROFESSOR	43	\$8,000	\$19,635	\$61,200
PROFESSOR	98	\$7,500	\$27,166	\$58,900
Grand Total	154			

Rank	Headcount	Min of Total Annual Salary (Scale Rate, Above Scale Rate and Off Scale + Negotiated)	Average of Total Annual Salary (Scale Rate, Above Scale Rate and Off Scale + Negotiated)	Max of Total Annual Salary (Scale Rate, Above Scale Rate and Off Scale + Negotiated)
ASSISTANT PROFESSOR	13	\$78,400	\$103,447	\$123,200
ASSOCIATE PROFESSOR	43	\$89,125	\$124,207	\$265,200
PROFESSOR	98	\$106,300	\$184,699	\$344,250
Grand Total	154			

Table I.

**Headcount and Minimum, Average and Maximum by Scale Rate, Above Scale Rate and Off Scale
and Negotiated Salary Increment for Enrolled Faculty by Disciplinary Group, All Three Campuses, 2013-2014**

Scale Rate, Above Scale Rate and Off Scale				
DISCIPLINARY GROUP	Headcount	Min of Scale Rate, Above Scale Rate and Off Scale	Average of Scale Rate, Above Scale Rate and Off Scale	Max of Scale Rate, Above Scale Rate and Off Scale
BIOLOGICAL SCIENCES	23	\$78,400	\$136,322	\$213,800
ENGINEERING	41	\$93,600	\$143,283	\$233,500
INFORMATION AND COMPUTER SCIENCES	9	\$98,300	\$136,744	\$193,300
LETTERS AND SCIENCE	11	\$109,200	\$158,855	\$306,000
MARINE SCIENCES	8	\$71,300	\$135,078	\$224,632
OTHER	8	\$94,000	\$148,025	\$227,900
PHYSICAL SCIENCES	24	\$83,000	\$135,971	\$244,100
PUBLIC HEALTH	25	\$76,500	\$120,764	\$199,100
SOCIAL SCIENCES	5	\$79,700	\$111,400	\$178,500
Grand Total	154			

Negotiated Salary				
DISCIPLINARY GROUP	Headcount	Min of Negotiated Salary Increment	Average of Negotiated Salary Increment	Max of Negotiated Salary Increment
BIOLOGICAL SCIENCES	23	\$7,056	\$28,250	\$51,000
ENGINEERING	41	\$7,500	\$15,400	\$39,300
INFORMATION AND COMPUTER SCIENCES	9	\$19,330	\$36,728	\$54,750
LETTERS AND SCIENCE	11	\$9,504	\$28,623	\$61,200
MARINE SCIENCES	8	\$7,100	\$14,850	\$26,100
OTHER	8	\$12,260	\$24,619	\$55,000
PHYSICAL SCIENCES	24	\$8,300	\$27,777	\$58,900
PUBLIC HEALTH	25	\$8,910	\$28,307	\$43,950
SOCIAL SCIENCES	5	\$10,000	\$15,451	\$26,775
Grand Total	154			

Scale Rate, Above Scale Rate and Off Scale plus Negotiated Salary				
DISCIPLINARY GROUP	Headcount	Min of Total Annual Salary (Scale Rate, Above Scale Rate and Off Scale + Negotiated)	Average of Total Annual Salary (Scale Rate, Above Scale Rate and Off Scale + Negotiated)	Max of Total Annual Salary (Scale Rate, Above Scale Rate and Off Scale + Negotiated)
BIOLOGICAL SCIENCES	23	\$85,456	\$164,572	\$256,100
ENGINEERING	41	\$103,000	\$158,683	\$256,900
INFORMATION AND COMPUTER SCIENCES	9	\$127,790	\$173,472	\$237,250
LETTERS AND SCIENCE	11	\$128,304	\$187,477	\$344,250
MARINE SCIENCES	8	\$78,400	\$149,928	\$250,732
OTHER	8	\$106,976	\$172,644	\$282,900
PHYSICAL SCIENCES	24	\$91,300	\$163,748	\$268,500
PUBLIC HEALTH	25	\$89,125	\$149,071	\$238,920
SOCIAL SCIENCES	5	\$93,000	\$126,851	\$205,275
Grand Total	154			

Sources of Funding

This preliminary report does not include a detailed breakdown of funding sources, since year-end data are needed to provide accuracy. The three campuses have, however, reported preliminarily that funding for the program has come from a variety of what the program defines as external funds: private contracts and grants, indirect cost recovery, federal contracts and grants, endowment funds, gift funds, state contracts and grants, and self-supporting degree program funds.

Next Steps

This report is being distributed to the Academic Senate and to the Council of Vice Chancellors for informational purposes. Work has begun as well on the first annual report. Any questions or comments on this preliminary report should be directed to Vice Provost Susan Carlson (susan.carlson@ucop.edu).

Attachments

Appendix A: Table of quantitative and qualitative data to collect for review of NSTP.

APPENDIX A

This table of quantitative and qualitative data was developed by the Metrics Working Group for Negotiated Salary Trial Program and submitted to Provost Dorr on June 25, 2013.

Table of quantitative and qualitative data to collect for review of NSTP.				
		What are we measuring?	How will we measure?	How does this help us determine success and/or failure?
1.0. Basic Data	1.1 People (annual)	Who participated and who did not.	1.1.1. Divisions/schools/colleges participating: number and percentage of total campus	Are enough faculty using program to make benefit outweigh administrative burden? What demographic patterns are discernible between participating and non-participating faculty?
			1.1.2. Departments participating: number and percentages of total campus	
			1.1.3. Faculty in participating departments, including both those who did and did not participate: number and percentage of total campus	
			1.1.4. Gender and race/ethnicity of faculty in participating units	
			1.1.5. Rank and step of faculty in participating units	
			1.1.6. Salary, including scale rate, off-scale, summer ninths, negotiated amount, stipends, other	
	1.2 Funding (annual)	Sources of non-general funds	1.2.1. Funding of salary increments by type: endowment funds, contracts and grants (by funder), fees, other.	Have new sources of funding been identified to allow faculty to negotiate? What is the proportion of each fund type in each participating unit?
		Contingency fund	1.2.2. How much is in the contingency fund?	
			1.2.3. How is the contingency fund used?	Is the contingency fund the best model for the program? Are units or individuals not participating benefitting from the program?
			1.2.4. Shortfalls in predicted funding	Is the percentage contributed to the fund sufficient to support the program?
	1.3. Faculty responsibilities (annual with exception of 1.3.5)	Teaching responsibilities	1.3.1. Teaching loads of participants compared to non-participants. Initial year and two prior years. Will include teaching done on- and off-load.	Do increases or decreases in teaching correlate with participation in the program?
			1.3.2. Faculty who bought out of a teaching assignment. Participants and non-participants. Course coverage by LRF, lecturers, other?	Do teaching buy-outs increase or decrease with participation?
		Graduate and post-doc support	1.3.3. Support for graduate students and post-docs by unit (participants and non-participants), including two years before program.	Is there a change in the number of graduate students or post-docs supported by participants vs. non-participants?
		Grant and contract activity	1.3.4. Number and amount of grants and IDC. Participating units, including two years before program.	Does participation incentivize faculty to increase outside sources of funding?
		University and public service See 3.1 and 3.2.		

APPENDIX A, cont'd

Table of quantitative and qualitative data to collect for review of NSTP.

2.0 Recruitment, retention, and review	2.1 Recruitment (annual)		2.1.1. FTE allocations by departments and division	Have recruitment priorities been reallocated to put more or fewer FTE into participating units?
			2.1.2. Success in recruitments. Number of new faculty who use the program in participating units.	Did the program help in recruiting faculty?
	2.2 Retention (annual)		2.2.1. How many faculty are retained through participation in program?	Did the program help in retaining faculty?
			2.2.2. How many faculty transfer to split appointments with health sciences?	
	2.3 Review (fourth year survey data)		2.3.1. How do numbers of promotions, accelerations, etc. compare before and during the program?	Does participation in this process affect the rate of advancement either positively or negatively? This information will be collected through the surveys of CAP members and of EVC/Provosts.
3.0 Survey satisfaction data and reports	3.1 Faculty in participating units (annual)	Faculty satisfaction with program	3.1. Survey all faculty in participating annually.	Ask about decision to participate or not, unit morale, effectiveness of program, etc.
	3.2 Chairs, Deans and admins. (annual)	Administrator satisfaction with program	3.2. Survey department chairs, deans, VCR, EVC and other administrators involved in program or in faculty recruitment, retention, and/or review.	Ask whether the administration was burdensome; whether the program helped in recruitment and retention; how faculty behaviors changed because of the program. Questions on changes in service loads for faculty will be collected through survey data in Year 4 analysis, including commentary on the four years of pilot and 2 years prior to pilot.
	3.3 CAP members (fourth year review)	CAP member satisfaction with program	3.3. Committee on Academic Personnel will be asked to generate a report on the operation of the NSTP on their campus.	