



OFFICE OF THE VICE PROVOST --
ACADEMIC PERSONNEL AND PROGRAMS

OFFICE OF THE PRESIDENT
1111 Franklin Street, 10th Floor
Oakland, California 94607-5200

September 15, 2023

CHANCELLORS
ACADEMIC COUNCIL CHAIR JAMES STEINTRAGER
LABORATORY DIRECTOR MICHAEL WITHERELL
ANR VICE PRESIDENT GLENDA HUMISTON

**RE: Systemwide Review of Proposed Academic Personnel Manual (APM) Section 672,
Negotiated Salary Program**

Dear Colleagues:

Enclosed for systemwide review is a proposed draft of Academic Personnel Manual (APM) Section 672, Negotiated Salary Program (APM - 672). The new policy is proposed in response to a recommendation from the Negotiated Salary Trial Program (NSTP) Phase 2 Taskforce, with the support of Provost and Executive Vice President Katherine S. Newman, to institutionalize the program in policy.

Background

Discussions of a possible negotiated salary program for general campus faculty have occurred at the University of California for more than 20 years, at both the campus and systemwide levels. These discussions culminated in the Negotiated Salary Trial Program (NSTP), which was approved by the Academic Council and the Council of Vice Chancellors for implementation in an initial phase from July 1, 2013, through June 30, 2018. Three campuses, including UC Irvine, UC Los Angeles, and UC San Diego, participated in phase one of the NSTP. In year four of phase one, a joint Senate-Administration Taskforce that was convened to review the program issued its report to then-UC Provost/Executive Vice President (EVP) Aimee Dorr on June 22, 2017, recommending continuation of the program under certain conditions. In January 2018, based on input from the systemwide review, then-UC Provost/EVP Michael T. Brown approved an expansion and continuation of the NSTP in a second phase, to begin on July 1, 2018, and run through June 20, 2022, with a possible one-year extension to facilitate determination at that time whether to establish the program as APM policy, terminate it, or alter it. In addition to the three phase-one campuses, three new campuses (UC Davis, UC Riverside, and UC Santa Cruz) joined the program during phase two.

On September 17, 2021, then-Provost/EVP Brown approved a one-year extension of the NSTP, for an additional fifth year for phase two for fiscal year 2022–23. Additionally, he requested that the six participating campuses provide a plan for possible rescindment should the program end. On October 12, 2021, then-Provost/EVP Brown appointed the NSTP Phase 2 Taskforce to review the program and make a recommendation on whether to institutionalize the program in policy or to end it. The

Phase 2 Taskforce “concluded that ending the negotiated salary program would be so disruptive that we cannot recommend such a course of action. Rather, accepting that it needs to continue, we have addressed how it can be improved and expanded.” They offered broad recommendations for a permanent negotiated salary plan.

On April 15, 2022, then-Provost/EVP Brown distributed for a 90-day Systemwide Review the Report from the Negotiated Salary Trial Program Phase 2 Taskforce, seeking input and advice on the Taskforce recommendations, as summarized in the executive summary, and supported by the report text and appendices. As it became evident that the University of California Office of the President would not be able to welcome Provost/EVP Brown’s successor until later in 2022-23, Phase 2 of the NSTP was extended for another additional year, into fiscal year 2023-24. The NSTP continued to be based on the “Program Document” first issued on June 15, 2012, and updated on February 18, 2018, and including subsequent modifications and clarifications.

On September 12, 2022, in appreciation of the need to accord the new Provost and Executive Vice President for Academic Affairs sufficient time to review the large volume of systemwide comments that were submitted, then-Provost/EVP Brown extended Phase 2 of the NSTP for another additional year, into fiscal year 2024-25. In February 2023, Provost and Executive Vice President Newman reviewed the feedback received during Systemwide Review of the Report of the Negotiated Salary Trial Program Phase 2 Taskforce and determined that the NSTP should be institutionalized in policy.

Academic Personnel and Programs (APP) convened a workgroup to provide guidance in response to the report of the NSTP Phase 2 Taskforce and to draft policy language in the event the NSTP was approved to transition to a permanent salary program in the APM. The Working Group met on multiple occasions between Fall 2022 and Spring 2023 and recommended the NSTP transition to a permanent salary program. APP drafted the proposed APM - 672 - Negotiated Salary Program based on input from Working Group members and taking into consideration the current NSTP, similar sections of the APM, and the Report from the NSTP Phase 2 Taskforce.

From late May 2023 to late July 2023, APP distributed the draft policy for management consultation. Comments submitted to APP reflected general approval of the proposed policy, with recommended revisions to several provisions. Following analysis of and review of the comments, we are circulating a revised draft of APM - 672 for systemwide review.

Key Policy Provisions

The purpose of the Negotiated Salary Program (NSP) is to provide a mechanism for participating campuses to augment faculty compensation on a temporary basis according to the competitive requirements of academic disciplines. Specific goals of the NSP include:

- To recruit and retain outstanding faculty by leveraging external, non-state-appropriated funds;
- To encourage and recognize significant contributions to the University mission; and
- To offer negotiated compensation to participating general campus faculty.

The proposed policy includes the following key provisions:

- **Eligibility:** Eligibility is limited to Senate faculty and Acting appointees in Senate titles. Faculty who hold appointments in a Health Sciences school, college, or department with a Health Sciences Compensation Plan are not eligible to participate in the NSP.
- **Implementation Plan:** Each campus must develop an Implementation Plan that is consistent with the policy. The Implementation Plan will be reviewed by the appropriate division Academic Senate committee, approved by the Chancellor, and reviewed by the UC Provost/EVP prior to implementation.
- **Contingency Plan:** The Campus Implementation Plan must include a Contingency Plan outlining a strategy for covering the agreed-upon compensation to each NSP participant in the event that current-year income is unexpectedly insufficient to do so.
- **Good-Standing Criteria:** Written Good Standing Criteria shall be established at the campus level and must be included in the Campus Implementation Plan. Faculty participants in the NSP must be in Good Standing, make significant contributions to the mission of the University, and meet all other conditions of the campus plan.
- **Negotiated Salary Component:** The Negotiated Salary component cannot exceed 30% of the Base Salary that was in effect on July 1 of the proposed participation year.
- **Range Adjustments:** Covered Compensation is eligible for the general range adjustment, but the Negotiated Salary Component will be adjusted so that the Total UC Salary Rate remains unchanged.
- **Summer Ninths:** To be eligible for NSP, the candidate must take the maximum amount of summer salary available to them unless the Campus Implementation Plan includes provisions allowing participants to take fewer summer ninths. Locations have authority to grant exceptions to the summer ninths requirement. Campus Implementation Plans shall address the process by which a participant may request an exception to the summer ninths requirement.
- **Leaves of Absence:** Salaried leaves of absence will be paid at the Total UC Salary Rate, which includes the Negotiated Salary Component. In the event of a funding shortfall, the Contingency Plan will be implemented to resolve the shortfall.
- **Data Collection:** Appendix A establishes minimum requirements for collection of data on which locations must be prepared to report, if requested to do so.

Systemwide review is a public review distributed to the Chancellors, the Chair of the Academic Council, the Director of the Lawrence Berkeley National Laboratory, and the Vice President of Agriculture and Natural Resources requesting that they inform the general University community, especially affected employees, about policy proposals. Systemwide review also includes a mandatory, 90-day full Academic Senate review.

Employees should be afforded the opportunity to review and comment on the draft policy, available on the [Academic Personnel and Programs website](#). Attached is a Model Communication that may be used to inform non-exclusively represented employees about these proposals. The Labor Relations Office at the Office of the President is responsible for informing the bargaining units representing union membership about policy proposals.

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We would appreciate receiving your comments no later than **December 15, 2023**. Please submit your comments to VP-ACADEMICPERSONNEL@ucop.edu. Please indicate "APM - 672" in the subject line. If you have any questions, please contact Rebecca Woolston, Associate Director, Academic Policy and Policy Exceptions, at rebecca.woolston@ucop.edu.

Sincerely,



Douglas M. Haynes
Vice Provost
Academic Personnel and Programs

Enclosures:

- 1) Proposed Draft APM - 672, Negotiated Salary Program
- 2) Proposed Draft APM - 672, Negotiated Salary Program, Appendix A
- 3) Model Communication

cc: President Drake
Provost and Executive Vice President Newman
Executive Vice Chancellors/Provosts
Executive Vice President and Chief Operating Officer Nava
Interim Executive Vice President King
Senior Vice President and Chief Compliance & Audit Officer Bustamante
Vice President Lloyd
Vice President Maldonado
Vice Provosts/Vice Chancellors for Academic Affairs/Personnel
Vice Chair Cheung
Assistant Vice Provosts/Vice Chancellors/Directors - Academic Personnel
Associate Vice Provost Lee
Associate Vice President Matella
Associate Vice President Cevallos
Deputy General Counsel Woodall
Executive Director Lin
Executive Director Motton
Chief of Staff Beechem
Chief of Staff Kao
Deputy CHRO and Chief of Staff Henderson
Chief of Staff Levintov
Chief Policy Advisor McAuliffe
Director Anders
Director Chin

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Director Teaford
Director Weston-Dawkes
Associate Director Garcia
Associate Director DiCaprio
Associate Director Jue
Associate Director Woolston
Manager Crosson
Manager Garza
Assistant Director LaBriola
Policy Analyst Wilson
Policy Analyst Durrin
Administrative Officer Babbitt

DRAFT – Salary Administration: APM - 672 – Negotiated Salary Program

672-0 Policy

The Negotiated Salary Program (NSP) provides a policy framework within which an Implementation Plan will be developed by each campus that elects to adopt an NSP. The Implementation Plan must be consistent with this policy and reviewed by the appropriate division Academic Senate Committee, approved by the Chancellor, and reviewed by the Provost/Executive Vice President prior to implementation.

In developing the Implementation Plan, the participating campus, after discussion and comment by the appropriate Academic Senate committee(s), may include provisions that are more, but not less, restrictive than those outlined herein.

672-2 Purpose

The purpose of the Negotiated Salary Program is to provide a mechanism for campuses to augment faculty compensation on a temporary basis according to the competitive requirements of academic disciplines. Undergraduate, graduate, and postdoctoral education and support remain an essential part of the UC mission. The NSP will not reduce faculty teaching loads, mentoring duties, or the University's commitment to the UC mission. Specific goals of the NSP include:

- a. To recruit and retain outstanding faculty by leveraging external, non-state-appropriated funds;
- b. To encourage and recognize significant contributions to the University mission; and
- c. To offer negotiated compensation to participating general campus faculty.

672-4 Definitions

a. Contingency Plan

The Campus Implementation Plan shall require the establishment of a Contingency Plan. The purpose of the Contingency Plan is to provide the funds necessary for the agreed-upon compensation to each NSP participant in the event that the current year income is unexpectedly insufficient to do so. If the funds that support the Contingency Plan are insufficient, the Chancellor may seek support from another non-State account(s) within the department, school, or campus. If such support is not forthcoming, then the campus will reduce the participant's Negotiated Salary Component in accordance with any fund source restrictions across the school, department, or division, as determined by the Chancellor.

Although funds may be transferred from one account to another in accordance with University accounting and budgeting policies and procedures, accounts on each campus shall be maintained as financially independent for administrative purposes.

b. Base Salary

Base Salary is the on-scale or above-scale salary established by rank and step on an academic-year or fiscal-year salary scale and, if applicable, the existing off-scale increment. The Base Salary is covered under the University of California Retirement Program (UCRP) up to the amount permissible by Internal Revenue Code (IRC) provisions and in accordance with UCRP provisions and regulations.¹

c. External Funding

External funds derived from sources that are not state appropriations or University of California General Funds, such as (but not limited to) endowment or gift income, professional degree fees, self-supporting degree fees, contracts and grant support, royalties, and licensing fees. The Campus Implementation Plan will detail which external funding sources can be used in support of this program. The external funds should represent additional fund sources for the University, to which the faculty member has access due to their research, teaching, or outreach activities. The funds may not be drawn from tuition paid by students in state-supported projects or discretionary funds associated with the department, school, college, or campus and that are fungible for other purposes, because these funds are not generated by the faculty member and should not be repurposed to support negotiated salary.

d. Negotiated Salary Component

The Negotiated Salary Component cannot exceed 30% of the Base Salary defined in APM - 672-4-b that was in effect on July 1 of the proposed participation year. Negotiations will be conducted annually to determine a faculty member's Total UC Salary Rate for the following NSP period; these discussions begin with the participating faculty member and the Department Chair and recommendations are forwarded to other reviewers as outlined in APM - 672-6.

The Negotiated Salary Component is not part of the Base Salary and is not covered compensation under UCRP. All compensation paid by the University under the NSP will be subject to Federal and State withholding and reported on a W-2 form as wages in accordance with IRS regulations and University policies and procedures.

¹Base salary is distinct from Total UC Salary Rate and Institutional Base Salary (see APM - 672-4-e, footnote 2).

e. **Total UC Salary Rate**

The Total UC Salary Rate includes the on-scale or above-scale Base Salary (for rank and step, plus any off-scale component) and a Negotiated Salary Component.

Review of the Total UC Salary Rate is determined according to campus policy and practice and may include review by the appropriate Academic Senate Committee (Committee on Academic Personnel or equivalent committee), in accordance with the campus Implementation Plan.²

672-6 Responsibility

a. **Role of the Provost/Executive Vice President**

The Provost/Executive Vice President shall review Implementation Plans for those campuses electing participation in the NSP, as well as proposed exceptions to campus Implementation Plans other than summer salary requirements.

b. **Role of the Chancellor**

The Chancellor shall have operational authority over the development and – subsequent to review and approval by the Provost/Executive Vice President – implementation and monitoring of the campus Implementation Plans, including establishing a campus maximum percent of Base Salary, as defined in APM - 672-4-b, for the Negotiated Salary Component and the Contingency Plan.

The Chancellor shall be responsible for establishing campus data collection and reporting to monitor the effectiveness and equity of the campus Implementation Plan.

²Relevance for Federal Awards Subject to the Federal Uniform Guidance Terms and Conditions: The Total UC Salary Rate constitutes the “Institutional Base Salary (IBS),” used in determining the amount of faculty salary costs that can be charged to federal awards for work performed under those awards (see Uniform Guidance at 2 CFR §§ 200.0 & 200.430(h)(2)). Under the Uniform Guidance, Institutional Base Salary is defined as the annual compensation paid by the University for the individual's appointment regardless of whether that individual's time is spent on research, instruction, administration, or other activities. This definition is consistent with the calculation of the Total UC Salary Rate. Another factor supporting the treatment of the Total UC Salary Rate as equivalent to the Institutional Base Salary is the fact that Total UC Salary Rate is determined in advance, and once a Total UC Salary Rate has been implemented for the fiscal year, it must be maintained for that period regardless of the receipt or loss of federal awards or other fund sources.

The Chancellor shall be responsible for assuring that affected NSP participants and the appropriate division Academic Senate committee(s) shall be afforded the opportunity to review and comment on the proposed Implementing Procedures.

This authority may be redelegated.

c. Role of the Academic Senate

The Provost/Executive Vice President shall consult with the appropriate Academic Senate committee(s) concerning proposed revisions of this policy.

The appropriate division of the Academic Senate and other committee(s) shall be provided the opportunity to review and comment on any campus Implementation Plan and proposed exceptions to the campus Implementation Plan which the Chancellor intends to submit to the Provost/Executive Vice President for review.

d. Role of the Campus Executive Vice Chancellor/Provost

Executive Vice Chancellors/Provosts or their designees are responsible for making the final decision regarding faculty proposals to participate in the NSP.

This authority may be redelegated.

e. Role of the Vice Provost/Vice Chancellor for Academic Personnel

Vice Provosts/Vice Chancellors who oversee academic personnel are responsible for developing the campus-level Implementation Plan in consultation with other administrators, the campus-level Academic Senate, and the Office of the President (Academic Personnel and Programs).

f. Role of the Dean

Deans are responsible for establishing the deadline for submission of proposals within the School, College, or Division. Deans are also responsible for reviewing proposals forwarded by Department Chairs, endorsing individual proposals, and for ensuring that appropriate resources are available to support the Total UC Salary Rate. The Dean is responsible for assessing whether a faculty member is in Good Standing based on input from the Department Chair and the faculty member. Any faculty member who is determined not to be in Good Standing must be provided with written information regarding how to return to Good Standing.

g. Role of the Department Chair

Department Chairs are responsible for evaluating faculty proposals and for verifying that:

- faculty members are in Good Standing;
- appropriate and sufficient fund sources exist to support the proposal;

- Contingency Plan requirements are met.

Department Chairs are also responsible for reviewing and endorsing individual proposals and for forwarding endorsed proposals to the Dean. If the Chair does not recommend a faculty member's proposal, the Chair should meet with the faculty member to see if a mutually agreeable solution can be reached.

h. Role of the Faculty Member

Faculty members are responsible for remaining in Good Standing and for generating suitable non-state-appropriated funding to augment their salaries on a temporary basis above their Base Salary as defined in APM - 672-4-b. To participate, faculty members are required to submit a proposal to the Department Chair.

672-10 Standards/Criteria/Qualifications

a. Good Standing Criteria

Written Good Standing Criteria shall be established at the campus level and shall be included in the Campus Implementation Plan. Good Standing Criteria must include: 1) a definition of Good Standing; 2) a description of the administrative review process that occurs when a faculty member is determined to be out of Good Standing; 3) consequences for not being in Good Standing; and 4) the process by which a faculty member may return to Good Standing.

Good Standing criteria will include but are not limited to:

1. the faculty member is meeting expectations with regard to carrying out faculty duties as commonly understood;
2. the faculty member has advanced in rank or step in their last academic personnel review (or has undergone an equivalent satisfactory review);
3. the faculty member is up to date on their mandatory training requirements;
4. the faculty member is in compliance with all applicable University policies;
5. the faculty member is not the subject of/respondent in a current or ongoing investigation of possible violation of [APM - 015](#);
6. there has been no substantiated finding of misconduct as defined by Section 015 of the Academic Personnel Manual ([APM - 015](#)) or proposed/imposed discipline in the period since the faculty member was last determined to be in Good Standing;
7. the faculty member is not currently under a disciplinary sanction imposed by a formal disciplinary process or an informal agreement with the University of California in lieu of formal disciplinary action. A disciplinary action, as permitted by [APM - 016](#), is cause for

cancelling current and/or denying future participation in the NSP. As a measure agreed to via an Early Resolution in lieu of formal discipline (as defined in and encouraged by [Senate Bylaw 336](#)), a faculty member can agree that they are ineligible to participate in the NSP for a defined period of time.

b. Implementation Plan

An Implementation Plan must be developed and approved for each campus that elects to adopt the NSP. The Implementation Plan must be in accordance with all UC policies and regulations, including any new provision of this policy governing NSPs. An Implementation Plan may include differences between individual schools.

The UC Office of the President should communicate to the campuses in a timely manner any changes in UC policies and regulations that might require the campuses to modify their NSP Implementation Plan.

Implementation Plans will be evaluated by the Office of the President to ensure their compliance with applicable UC policy and regulations, granting agency restrictions, and applicable federal and state law.

An Implementation Plan will provide details regarding the following:

1. Permitted funding sources.
2. Limit on the maximum percent of Base Salary, as defined in APM - 672-4-b, for the Negotiated Salary Component.
3. Good Standing criteria and process of appeal/reconsideration of a determination that a faculty member is not in Good Standing.
4. Process for consulting with the faculty regarding the development of Good Standing criteria.
5. Criteria by which proposals will be assessed.
6. Process and timing for soliciting, receiving, and reviewing faculty proposals, including requests not to take the maximum summer salary and for implementing the Negotiated Salary Component if the July 1 salary depends on the outcome of an academic personnel action that is not known as of July 1. Proposals must include evidence or promise of contributions to diversity, equity, inclusion, and equal opportunity, if such evidence is available.
7. Method for predicting and maintaining the stability of the program, as well as strategies for broadening program participation. These methods should include strategies for senior program participants to mentor junior faculty to explore funding opportunities, so that they are positioned to participate in the program in the future if they wish to do so.

8. Management of the Contingency Plan that supports the NSP and how shortfalls in funding will be handled in a manner that does not impact State funds.
9. Approval hierarchy.
10. Notification and documentation process.
11. Restrictions articulating what constitutes misuse of funds.
12. Consequences for noncompliance with the Implementation Plan.
13. What data will be collected beyond that required in Appendix A, and who will be responsible for its collection.
14. Metrics and process for assessing the impact of the NSP on the campus in the areas of faculty recruitment and retention, as well as research, teaching, and service.

c. Determination of the Total UC Salary Rate

The Total UC Salary Rate for each faculty member, as defined in APM - 672-4-e, will be recommended by the appropriate Dean after consultation with the Department Chair and before or after consultation with the appropriate Academic Senate Committee (on campuses where the campus Academic Senate has input into salary recommendations).

The funding must be derived from a stable source, paid in accordance with any related fund source restrictions, and sufficient to include the related benefits costs. The funding source(s) must either be secured according to the Implementation Plan or committed by June 30 of the year prior to implementation of the Total UC Salary Rate.

d. Maintenance of the Total UC Salary Rate

The Total UC Salary Rate is effective for a one-year period corresponding with the University fiscal cycle of July 1 – June 30. Once a Total UC Salary Rate has been implemented it must be maintained for that period. An academic appointee may receive an increase in their Base Salary, as defined in APM - 672-4-b, as a result of a general scale increase, a merit increase, a promotion increase, or an off-scale increase; however, no changes to the Total UC Salary Rate may be approved. A Negotiated Salary Component cannot be put in place retroactively. Even when State funds are released and effort is supported by external funds, in no case will a faculty member's Base Salary be permanently reduced as a result of participation in this Program. Early withdrawal from the Program is allowed only upon separation or retirement from the University; as a result of a determination that a participant has fallen out of Good Standing; as a result of an official disciplinary action as described in [APM - 015](#), [APM - 016](#), and [Senate Bylaw 230](#); due to an increase in Base Salary that subsumes the Negotiated Salary Component; or upon appointment to an ineligible administrative appointment.

e. **Regular Duties**

Participation in this program may not disrupt the required balance in duties or otherwise negatively impact a faculty member's regular research, teaching, or service obligations.

672-14 Eligibility

UC Senate faculty members in units that have been approved for participation in the NSP shall be eligible to participate in the NSP if they are not members of another compensation plan (e.g., Health Sciences Compensation Plan) and they hold a University appointment at or greater than 50 percent time that is constituted by one or more of the following title series:

- Professor
- Professor In Residence
- Professor of Clinical __ (e.g., Optometry)
- Lecturer with Security of Employment
- Acting appointees in one of the above eligible faculty titles

Faculty who hold appointments in a Health Sciences school, college, or department with a Health Sciences Compensation Plan are not eligible to participate in the NSP.

Academic Senate members who hold a concurrent job title may participate in NSP in both titles even if the concurrent job title is not a Senate title (e.g., Professor/Agronomist).

Participation in NSP is not granted as a matter of individual right. Faculty participants in the NSP must be in Good Standing, make significant contributions to the mission of the University, meet all other conditions of the campus plan, and be approved for participation.

To be eligible for NSP, candidates who hold academic-year Senate appointments must take the maximum amount of summer salary (summer ninths) available to them. Summer salary from all sources may not exceed 3 ninths for academic-year appointees (see [APM - 600](#)). Campus Implementation Plans may include provisions that allow a participant to take fewer than 3 ninths if the participant teaches in Summer Session (which counts toward a participant's total summer salary) or if they opt to take personal time during their off-duty period in the summer. Each ninth taken by a participant must be taken at the rate of the Total UC Salary Rate, subject to fund-source limits. Campus Implementation Plans shall address the process by which a participant may request an exception to the summer ninths requirement for a purpose other than teaching in Summer Session or taking personal time off during the off-duty period in the summer.

Individuals in the Senior Management Group (SMG), those who are full-time Deans (as defined by [APM - 240](#)), or those who are full-time faculty administrators (as defined by [APM - 246](#)) are not eligible to participate in the NSP.

Faculty who hold part-time faculty administrative appointments may participate in the NSP on a pro-rated basis that corresponds with the percentage of appointment in an eligible faculty title as long as participation would not disrupt the individual's fulfilling of their duties.

672-16 Limitations

External consulting and other externally compensated activities are permitted in accordance with [APM - 025](#), Conflict of Commitment and Outside Activities of Faculty Members.

The Chancellor must establish a campus or school maximum percent of Base Salary, as defined in [APM - 672-4-b](#), for the Negotiated Salary Component and any requirements to establish the Contingency Plan. The Negotiated Salary Component may not exceed 30% of a faculty member's Base Salary as defined in [APM - 672-4-b](#).

If a faculty member transfers from one UC campus to another, the faculty member must renegotiate their salary according to the Implementation Plan at the new campus.

To minimize risk to the University, the fund source(s) that will be used to pay the Negotiated Salary Component must (a) be secured according to the Implementation Plan at the time of the negotiation and (b) must be in a form that would permit the Negotiated Salary Component to be paid evenly over the year. Funds must either be expendable across the year or have provisions that would permit smoothing.

672-20 Paid Leave

NSP participants are eligible for leaves as defined in [APM Section V – Benefits and Privileges](#).

NSP participants who are eligible for sabbatical leave or other paid leave will be granted such leave paid at the Total UC Salary Rate defined in [APM - 672-4-b](#). In the event of a funding shortfall, the campus will resolve the funding shortfall through implementation of the Contingency Plan.

A NSP participant who leaves University service or transfers from a vacation-accruing title to a non-accruing title shall be paid for accrued vacation at the NSP participant's Total UC Salary Rate at the time of separation.

672-24 Authority

The Chancellor has authority to determine whether the campus will participate in the Negotiated Salary Program after consultation with the campus Academic Senate and Executive Vice Chancellor/Provost. The Chancellor's authority may be redelegated.

The Chancellor has authority to approve exception requests not to take the maximum summer salary. The Chancellor's authority may be redelegated.

The Chancellor shall submit the NSP Implementation Plan to the Provost/Executive Vice President for approval. Such authority may not be redelegated.

The Chancellor shall submit revisions to the NSP Implementation Plan to the Provost/Executive Vice President for approval. Such authority may not be redelegated.

672-80 Annual Notification

Once per fiscal year, each NSP participant shall be provided a written notification of their Total UC Salary Rate. This notification shall include:

- a. The amount of Base Salary; and
- b. The amount of the Negotiated Salary Component.

**DRAFT – Salary Administration: APM - 672 – Appendix A – Negotiated Salary Program
Participant Data Collection**

Minimum Negotiated Salary Program (NSP) Participant Data Collection Requirements

The Chancellor shall be responsible for establishing campus data collection and reporting to monitor the effectiveness and equity of the campus Implementation Plan. The Implementation Plan shall specify what data will be collected and who will be responsible for its collection. At a minimum, the following data shall be available upon request and should be collected on an annual basis:

- a. Person
 1. Campus
 2. Fiscal Year
 3. Employee ID
 4. Name
 5. New or Continuing Participant
 6. Early withdrawal from the program?
 - a. If yes, reason: Negotiated Salary Component subsumed by increase in Base Salary, Separation, Retirement, Loss of Good Standing, or Disciplinary Action.
 7. School/College/Division
 8. Department
 9. Title/Job Description from UCPath
 10. Rank
 11. Step
 12. Above or Off Scale
- b. Total UC Salary Rate
 1. Base Salary (as defined in APM - 672-4-b)
 2. Administrative Stipend
 3. Negotiated Salary Component Amount

4. Negotiated Salary Component %
 5. Total UC Salary Rate (Base + Negotiated)
- c. Summer Ninths
1. Summer Ninths Rate
 2. Total Summer Ninths Taken
 3. If less than three summer ninths, reason for exception
- d. Negotiated Salary Component Funding (Amounts & Fund Categories)
- e. Negotiated Salary Component Contingency Funding, if applicable (Amounts & Fund Categories)

MODEL COMMUNICATION

The University invites comments on the following proposed policy:

- APM - 672, Negotiated Salary Program

Summarized below are the proposed key policy provisions that are being distributed for systemwide review.

Key Policy Provisions

The purpose of the Negotiated Salary Program (NSP) is to provide a mechanism for participating campuses to augment faculty compensation on a temporary basis according to the competitive requirements of academic disciplines. Specific goals of the NSP include:

- To recruit and retain outstanding faculty by leveraging external, non-state-appropriated funds;
- To encourage and recognize significant contributions to the University mission; and
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The proposed policy includes the following key provisions:

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- **Implementation Plan:** Each campus must develop an Implementation Plan that is consistent with the policy. The Implementation Plan will be reviewed by the appropriate division Academic Senate committee, approved by the Chancellor, and reviewed by the UC Provost/EVP prior to implementation.
- **Contingency Plan:** The Campus Implementation Plan must include a Contingency Plan outlining a strategy for covering the agreed-upon compensation to each NSP participant in the event that current-year income is unexpectedly insufficient to do so.
- **Good Standing Criteria:** Written Good Standing Criteria shall be established at the campus level and must be included in the Campus Implementation Plan. Faculty participants in the NSP must be in Good Standing, make significant contributions to the mission of the University, and meet all other conditions of the campus plan.
- **Negotiated Salary Component:** The Negotiated Salary component cannot exceed 30% of the Base Salary that was in effect on July 1 of the proposed participation year.
- **Range Adjustments:** Covered Compensation is eligible for the general range adjustment, but the Negotiated Salary Component will be adjusted so that the Total UC Salary Rate remains unchanged.
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address the process by which a participant may request an exception to the summer ninths requirement.

- **Leaves of Absence:** Salaried leaves of absence will be paid at the Total UC Salary Rate, which includes the Negotiated Salary Component. In the event of a funding shortfall, the Contingency Plan will be implemented to resolve the shortfall.
- **Data Collection:** Appendix A establishes minimum requirements for collection of data on which locations must be prepared to report, if requested to do so.

The proposed APM - 672 is posted to the [Academic Personnel and Programs website](#) under the “Systemwide Review” tab. It may also be viewed at _____ [e.g., *the campus Academic Personnel Office or Human Resources Office*].

If you have any questions or if you wish to comment, please contact _____ at _____, no later than _____, 2023.