

The Negotiated Salary Trial Program (“NSTP”), like the well-established Health Sciences Compensation Plan (HSCP), allows eligible Ladder Rank and In-Residence faculty in participating schools to voluntarily contribute external funding resources toward their total University of California (UC) salary. The second phase of the trial program will run from July 1, 2018 through June 30, 2022. Prior to the last year of the extended Program, there will be another evaluation by a joint administrative/Senate taskforce that will recommend whether the program should be terminated or made permanent, in the latter case becoming part of the APM. In order for this task force to adequately assess impact, it is crucial all concerned parties cooperate in the collection of necessary data. The NSTP will not place any additional burden on the UC Retirement Plan (UCRP) since the negotiated component is non-base building.

Important principles covered in more detail on the following pages include:

- 1) Each participating faculty member is required to generate the additional negotiated income.
- 2) Each participating faculty member maintains teaching and service activities commensurate with rank and department.
- 3) Additional compensation for a faculty member may not be at the expense of support of graduate students and postdocs. Rather, additional external funding must be obtained to support participation.

NSTP participants remain subject to the requirements of other UC policies including, but not limited to, Conflict of Interest, Conflict of Commitment, Faculty Code of Conduct, Lab Safety, Sexual Harassment Prevention, and policies requiring submission of proposals and receipt of awards for grants and contracts through the University. External consulting and other externally compensated activities will continue to be permitted in accordance with APM 025, Conflict of Commitment and Outside Activities of Faculty Members.

## I. Eligibility

- A. Except for faculty categories listed in subsection B, the NSTP is available to all UCR Ladder Rank and In-Residence faculty in non-HSCP schools who hold at least half-time appointments (50%+ I&R), and who meet the eligibility criteria set forth in subsection C.
- B. The following faculty are not eligible to participate in the NSTP:
  1. Full-time deans and faculty administrators listed in APM 240 and APM 246
  2. Senior Management Group (SMG) members
  3. Faculty members appointed in a Health Sciences department and eligible to participate in the Health Sciences Compensation Plan (HSCP)
  4. CE Specialist series and Agronomist series
  5. LSOE/LPSOE Series
- C. Faculty participating in the NSTP *must* be in good standing according to the following criteria:
  1. A faculty member must have had a positive on-time personnel action (merit or promotion) in their last cycle. A positive quinquennial (in the last 5 years) will be counted as a positive personnel action.
  2. Fulfillment of a normal teaching load for the department during participation in the program, excepting normal accommodations for teaching releases such as those based on increased duties, stop-the-clocks, and medical leaves, where applicable; **there can be no teaching buyouts for any faculty member participating in this program.**
  3. Fulfillment of research support responsibilities and staffing, including but not limited to:

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current and incoming graduate student employment, tuition, and benefits; postdoctoral employment; staff research positions, etc.; **financial resources may not be diverted from these commitments to fund NTSP participation.**

4. Fulfillment of University service commensurate with rank and step.
5. All research contracts and grants are in good standing (e.g., no outstanding deliverables, or projects in unauthorized deficit, etc.).
6. Compliance with reporting responsibilities to enable evaluation of the impact of the NSTP.
7. Compliance with all applicable University policies (including, but not limited to the Faculty Code of Conduct, Conflict of Interest, and Conflict of Commitment).
8. Compliance with UCR's research policies (e.g., research conduct and administration), reporting (e.g., Patent Acknowledgment, Outside Professional Activities) and training requirements (e.g., laboratory safety, human subjects, cyber security, sexual harassment prevention).

## II. External Funding

- A. *External funding* is any fund source that is **not** State-appropriated general funds, UC general funds, Chancellor Fellow's funds, Opportunity Funds, Overhead Recovery funds, student tuition funds or other internal sources. The funds should not be discretionary funds located in the department, school or college since this violates the principle they should be generated by the faculty member themselves. External funds include, but are not limited to, endowment or gift income, professional degree fees, self-supporting degree fees, and contract and grant support. General Funds cannot be substituted for external funds in support of the program. **While a new faculty member may be able to participate in the NSTP if they bring grant funds with them, Start-up funds may not be used for NSTP, regardless of their origin.**
- B. Funding for the *Negotiated Salary Component* ("NSC") provided under the NSTP must be awarded and received by UCR prior to June 30<sup>th</sup> of the current fiscal year in order to be considered for the following year's negotiation. E.g., Funds that will be used in FY19-20, must be deposited prior to June 30, 2019.
- C. Adequate external funding must be available for the entire year of the proposal, **without exception**.
- D. Funds awarded after the salary increment has been negotiated may be considered eligible compensation for the following academic year. *For example, Professor A enters an NSC agreement for AY19-20, which begins on July 1, 2019. In October 2019, she receives a large award she would like to have considered for NSC. The October 2019 award is **not** eligible compensation for AY19-20, but is eligible compensation for AY20-21.*
- E. Funding for the NSC must have a stable source, paid in accordance with any related fund source restrictions, and must be sufficient to include the additional benefit costs associated with the increased salary.
- F. All charges to contracts and grants must be compliant with Office of Management and Budget (OMB) Circular A-21. Salaries charged to sponsored projects funded by federal sources must be accurately and appropriately calculated and certified in a timely manner.

## III. Compensation Components

Participating faculty will receive their Scale-Based Salary *in addition to* an optional Negotiated Salary Component.

- A. Scale-Based Salary (SBS) – an individual's regular scale salary rate **plus any off-scale** as approved at the time of hire, as a result of a salary program, retention offer, or regular academic review; considered covered compensation under the University of California Retirement Plan (UCRP), up to the amount permissible by

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- Internal Revenue Service (IRS) Code provisions and in accordance with UCRP policy and provisions
- B. Negotiated Salary Component (NSC) – beyond scale-based salary and must be negotiated annually; capped at 30% of the scale-based salary and is **not** considered covered compensation under the UCRP
  - C. Total UC Salary (TUCS) – consists of the participant’s scale-based salary (SBS) plus the negotiated salary component (NSC)
  - D. Summer Salary – **Faculty must maximize summer ninth opportunities at the SBS rate before utilizing the NSTP.** As a reminder, nine-month/Academic Year Faculty may earn up to three-ninths additional summer compensation for research, teaching, and/or administrative service. Summer salaries may come from both internal and external fund sources. Only after maximizing summer ninth opportunities, which includes any administrative expectations with associated summer salary, can external funds be used for the NSC
    1. For NSTP participants, summer ninths shall be paid at the TUCS rate, according to standard summer salary policies. Any portion of a ninth paid for service in June shall be based upon the individual’s salary in effect on June 30<sup>th</sup>.
    2. Chairs and Summer Session staff should be aware that Summer Session teaching compensation for NSTP participants will be based upon the TUCS rate in effect on June 30<sup>th</sup> of the calendar year in which the Summer Session begins.
    3. All applicable sponsor policies remain in effect for NSTP participants, including rate limitations and salary compensation limits. For example, a maximum two months’ salary in any one year may be charged to NSF grants. Sponsor salary rate and compensation caps must be observed and state funds may not be used to pay any cap gap.
  - E. Administrative Stipend – NSTP participants may receive administrative stipends, in accordance with established campus policy; however, stipends issued for official administrative roles may not be included in the NSC (but do count towards full utilization of summer ninths if that is how the stipend is utilized) and must be recorded as separate payments. Administrative stipends may come from both internal and external fund sources, and are covered compensation under UCRP.

#### IV. Participation Effective Dates

- A. The first effective date of the NSTP on our campus was July 1, 2018; year two begins July 1, 2019.
- B. The systemwide Provost may suspend the systemwide trial program on June 30<sup>th</sup> of any year. The UCR PEVC may suspend the NSTP for some or all Colleges or Schools on June 30<sup>th</sup> of any year.
- C. The TUCS rate will be effective July 1<sup>st</sup> through June 30<sup>th</sup>. Newly hired faculty with mid-year start dates and eligible sources of funding may participate from their appointment begin date through June 30<sup>th</sup>.
- D. Once established for the year, the TUCS rate for participating faculty may not be changed for any reason, including but not limited to mid-year salary scale adjustments, retroactive merit increases, or receipt of additional contract and grant funds. Salary negotiated as part of a retention offer for participating faculty shall become effective on July 1<sup>st</sup> of the following year. If a participant’s salary is raised effective July 1<sup>st</sup> or later due to a general range adjustment or Cost of Living Adjustment (COLA), the NSC will be reduced, and the covered compensation increased, so the TUCS remains unchanged for the fiscal year.
- E. Early withdrawal from the NSTP is allowed only upon separation, transfer to a faculty category not eligible for participation, retirement from the University, as a result of a settlement agreement, or an official disciplinary action, as described in APM 015 and 016 and Senate Bylaw 230.
- F. Retroactive participation is not permitted.

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## V. Leaves of Absence

- A. Sabbatical leave and other leaves with pay may be taken by NSTP participants in accordance with established campus policies and will be granted at the TUCS rate in effect during the leave period.
- B. State funds may be used only for the portion of a leave related to a faculty member's scale-based salary.
- C. If external fund restrictions preclude payment of medical leave, the Dean **must** provide appropriate unrestricted, non-state funds to ensure full payment of the TUCS.
- D. The campus is under no obligation to continue the NSC if a medical leave continues into the next salary negotiation cycle (07/01 to 06/30).

## VI. Intercampus Transfers

- A. Temporary intercampus appointments, including Faculty Consultant payments, will be based on the TUCS rate in effect during the temporary appointment.
- B. For permanent intercampus transfers, APM 510 applies. The NSC may not be a factor in determining a competing UC offer. If the recruiting campus is participating in the Trial Program, the faculty member must negotiate a new proposal with his/her new campus. **The start-up package in intercampus recruitment cannot include funds to support a negotiated salary component.**

## VII. Teaching Overload

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

## VIII. Proposal Submission Process

- A. Academic Personnel will provide all eligible faculty, as defined in Section I, with a copy of these governing rules of the NSTP.
- B. No later than March 1<sup>st</sup> of each year, a call will be issued to eligible faculty regarding the annual negotiation for the coming fiscal year.
- C. Prior to submission of a proposal, the faculty member must verify the proposed funding source with the appropriate Fund Manager/Business Officer in writing (Form B). The Fund Manager/Business Officer will confirm the funding source is allowable, available, unencumbered, and will remain in place for the entire fiscal year.
- D. After funding has been verified by the Fund Manager/Business Officer, the participating faculty member should submit the NSTP Proposal (Forms A and B) to her/his Chair, no later than April 1<sup>st</sup>.
- E. Renewals are not automatic; continuing participation in the NSTP must be renegotiated, evaluated by the Chair and Dean, and approved by the PEVC each year.

## IX. Evaluation of Proposals

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 VPAP
Endorsement	VPAP/PEVC	14 days	Endorse
Eligibility Appeals	PEVC	7 days of CAP review	Review case and issue final resolution

- A. Chairs and Fund Managers, in collaboration with other essential UCR personnel will review proposals to ensure that:
  1. The requesting faculty member meets all good standing requirements of Section I, C
  2. The TUCS requested is consistent with these rules
  3. Allowable and appropriate resources are available to support the proposal, including the reserve fund requirement (see Section X), sponsor salary cap gap, graduate student support, salary threshold levels, and research equipment
- B. The Chair will review proposals and forward all proposals with his/her signed recommendation for approval/non-approval to the Dean no later than May 1<sup>st</sup>.
- C. The Dean will review proposals and forward all proposals with her/his signed recommendation to the Vice Provost for Academic Personnel (VPAP), no later than May 15<sup>th</sup>.
- D. The VPAP and PEVC will make a final decision and inform the Dean of approved proposals no later than June 1<sup>st</sup>; CAP will receive a report of the negotiated salary actions.
- E. Once a proposal has been approved, the VPAP will send a salary confirmation letter to the faculty member confirming the faculty member's total salary (TUCS plus any stipend) for the coming fiscal year. Notification of approved participation will be sent to the faculty member, Dean, Business Office, and appropriate CFAO.
- F. If the Chair does **not** recommend a faculty member's proposal due to insufficient funding or perceived funding instability, the following process shall be followed:
  1. The Chair must meet with the faculty member to discuss the relevant concern, and seek resolution
  2. If the Chair is not satisfied funding requirements can be met, the Chair will inform the Dean and the Dean will review. If the Dean concurs, the Dean will communicate the finding to the faculty member and provide the faculty member an explanation. If the funding requirements can be reached and approved by the Chair and Dean according to a timeline produced by the Dean and prior to the deadline for submission to the VPAP (May 15), a proposal may still be submitted.
  3. 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 VPAP. These eligibility cases will be reviewed by CAP, who will provide a recommendation to the PEVC. The PEVC will issue a final resolution within seven (7) days of CAP review.
- G. Approved proposals will be documented in writing and signed by the faculty member, Chair, Dean, and VPAP.

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## X. Financial Responsibility

The Dean or her/his designee is responsible for managing funding of the NSTP and will cover a participant's TUCS for the entire fiscal year period (07/01 to 06/30), *even if the faculty member loses funding during the annual negotiated year period.*

- A. The Dean must build a contingency fund to ensure coverage of TUCS obligations in the event of an unforeseen event (e.g., Section V.C). It is expected the contingency fund will grow and reach a steady state over a period of time.
- B. The contingency fund account minimum balance will be set by the Dean or his/her designee, according to the number of participating faculty and likely projected need for disbursement.
- C. **Any contingency fund surplus will be used to support graduate programs (e.g. graduate student travel, recruitment, GSR support etc.) in all ways other than TA-ships.**
- D. Contingency fund accumulations and expenditures shall be reported annually to the PEVC.

## XI. Reporting to UCOP

The PEVC is responsible for reporting campus participation in the NSTP to the Systemwide Provost annually.

- A. For each year of the trial, the Campus will collect data on the following in participating Departments:
  - 1. Funding
    - i. External funding sources utilized in connection with the trial are to be tracked by type, including, but not limited to endowment, contracts, grants (by agency), gifts, and fees
    - ii. Development and use of contingency funds
  - 2. Demographic Information
    - i. Faculty rank and step, gender, race/ethnicity
    - ii. Faculty Salary, including off-scale, summer-ninths, and negotiated salary component
    - iii. Teaching loads (data both from year before and during NSTP period) and indication of teaching done on-load or as overload; these data should be annotated with further information if the faculty member had an unusual situation leading to an abnormal teaching load prior to NSTP participation
    - iv. Graduate student and post-doc support by department and individual (data both before and during NSTP period)
    - v. Any other additional information that will be helpful in evaluating the effectiveness of the NSTP
- B. Each annual report by the PEVC will include an administrative assessment of relevant issues, including a review of the personnel process at various stages: CAP, Department Chairs, and Deans
- C. The PEVC is responsible for providing CAP with post audit annual reports on participation, and soliciting feedback on areas of concern, as well as the following non-exhaustive list of campus stakeholders:
  - 1. Faculty Welfare Committee, Committee on Diversity and Equal Opportunity, and Committee on Academic Freedom
  - 2. Dean, Graduate Division
  - 3. Vice Chancellor, Planning & Budget
  - 4. Vice Chancellor, Research
  - 5. Associate Vice Chancellor, Diversity and Inclusion
  - 6. Assistant Vice Chancellor, Institutional Research



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## XII. Responsibilities

### Participating faculty

- Use the fillable electronic forms and forward them as electronic forms via email to Department Fund Manager/Chair
- Apply to participate in a timely manner so as to reduce the burden on those who administer the program
- Provide all requested information in a timely manner

### Department

- Document the funding authorization process used for all proposals
- Document the methodology used to determine the negotiated salary component
- Request entry of 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 and explain changes in student support levels

### Deans

- Ensure all participation criteria have been met and maintain documentation of reviews
- Forward to VPAP information on proposed faculty participation by May 15<sup>th</sup>
- Ensure payroll action matches the approved negotiated salary amounts
- Report funding summary to the VPAP

### VPAP

- Issue annual call
- Report negotiated salaries to CAP
- 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
- Issue an annual salary confirmation letter to the faculty member
- Maintain open communications with Academic Senate on implementation issues and concerns
- Serve as Office of Record for approved proposals
- Forward the campus Implementation Procedures to the UC Provost for approval
- Provide annual report to the divisional Academic Senate by October 1
- Prepare data for systemwide Provost annually as required by Office of the President

### CAP

- Review list of negotiated salaries
- Review faculty appeals of negative findings by the Dean and Department Chair where eligibility is an issue
- Review post audit annual reports on participation; provide feedback to VPAP if there are issues or concerns

### Academic Council Responsibilities (both divisional and systemwide)

- Receive annual report on NSTP phase two participation and metrics
- Forward to appropriate divisional and systemwide committees for analysis and input
- Respond to review of NSTP after year three of phase two