

Basic Program Document
General Campus Negotiated Salary Trial Program
Second Phase: July 1, 2018 to June 30, 2022
February 2018

The Negotiated Salary Trial Program (NSTP) plays an important role for the University in managing its recruitment and retention challenges. For the five years from July 1, 2013 through June 30, 2018, UC has had the NSTP on three campuses: UC Irvine, UCLA, and UC San Diego. In year four of the trial program, a joint Senate-Administration Taskforce reviewed the program and offered recommendations on possible continuation of the trial. After considering input received during a systemwide review of the Taskforce recommendations, UC Provost Brown extended the program for an additional four years, with the possibility of an additional wind-down year, should the program be terminated or transitioned to APM policy. This Basic Program Document includes revisions of the 2012 program document that update it to match the program as issued by the Provost in 2018.

This second phase of the NSTP will run from July 1, 2018 through June 30, 2022, with a possible wind-down year of 2022-2023.

This Basic Program Document is a general statement of the NSTP; other operational details of the program are contained in the “NSTP Phase Two Implementation Procedures” (February 2018) template that each campus must follow in developing its own implementation guidelines. Both documents have been updated in 2018.

A. Program Components

Overview: The four-year Negotiated Salary Trial Program (NSTP), phase two, will extend participation to any UC campus indicating to the UC Provost its intent to take part. Participation for new campuses can begin on July 1, 2018 or July 1, 2019. Eligible faculty will be able to voluntarily contribute external fund sources toward their total salary, with the negotiated salary amount funded through external funds. The amount of negotiated salary will have a cap of 30% of the base salary (academic or fiscal, including off-scale); and the Dean or designee will have responsibility for managing funding of the negotiated salary program. Merit review will continue according to campus policy, and each participating campus will determine the appropriate role for its Committee on Academic Personnel (CAP) or equivalent committee.

Scope: UCI, UCLA, and UCSD have indicated that they are continuing in phase two of the NSTP. For other participating campuses, academic administration will consult with their Divisional Senate on potential participation. Once participation has been agreed to, the Executive Vice Chancellor/Provost (EVC/P) on each campus will coordinate with divisions/schools/departments that will take part.

Eligibility: Ladder-rank and in-residence faculty who have advanced in rank or step in their last academic review (or equivalent satisfactory review) are eligible, provided the faculty member's campus and division/school/department has opted to participate. HSCP members and full-time deans and faculty administrators (as defined in APM – 240 & 246) are not eligible.

Faculty responsibilities: Participating faculty are expected to meet all teaching, research and service obligations and to be in compliance with all applicable University policies, procedures, and training requirements. The campus will ensure that policies about the buy-out of teaching are maintained.

Fund management: Only external funds will be used to support this program. "External funds" refers to any non-state-appropriated funds, such as (but not limited to) endowment or gift income, professional degree fees, self-supporting degree fees, and contract and grant support. The Dean or his/her designee will have responsibility for managing program funds, reviewing the availability of F&A, and covering any unforeseen shortfalls. General Funds cannot be substituted for external funds in support of the program.

The intent of the program is that the faculty member has access to the external funds due to his or her research, teaching, or outreach activities. The funds should not be discretionary funds located in the department, school, college, or campus.

Recruitment: In the case of the recruitment of permanent inter-campus 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 recruiting campus is participating in the NSTP, the faculty member must negotiate a new proposal with his/her new campus. A start-up package in inter-campus recruitment cannot include funds to support a negotiated salary component.

Salary: The total negotiated salary will be comprised of 1) the salary covered under the University of California Retirement plans (scale base plus off-scale components), for those in UCRP, Pension Choice or Savings Choice (faculty will remain on pre-existing appointments [either academic or fiscal]; those on academic year appointments remain eligible for summer ninths which will continue to be processed under pre-existing guidelines); and 2) a negotiated salary component that is not covered compensation. Negotiations will be conducted annually to determine an individual's total negotiated salary for the following year. The total

negotiated salary must be effective for one full year, corresponding with the University fiscal cycle of July 1 – June 30 and may not be changed during that year. The faculty member's salary (scale plus off-scale) will not be permanently affected (neither increased nor decreased) as a result of participating in this program.

- Process:** As outlined in the campus Implementation Procedures, eligible faculty members will work with the department chair and department business officer to develop a proposal for a negotiated salary, with proposals approved by the dean and reviewed at the campus level.
- Application forms:** Each participating campus will collect common applicant information, as detailed on the systemwide template form, available from the Office of the President. This common reporting will allow for the collection of data to inform analysis of the program in phase two.
- Reporting/Review:** At the end of each fiscal year, the systemwide Provost will gather (from each EVC/P whose campus is participating) data on the program, compile it, and share in an annual report on the program to be distributed to the Council of Vice Chancellors (COVC) and the Academic Senate. Details of the report are listed below in section B. A comprehensive review will be undertaken after year three of phase two of the program.
- Implementation:** This document will serve as the Basic Program Document with all items outlined here to be constant among all participating campuses. The systemwide Provost will also develop "NSTP Phase Two Implementation Procedures," a template with procedural details of running the program on campus. Each campus will adapt this template to its own approval and review structures. Any departures from this Basic Program Document and the "NSTP Phase Two Implementation Procedures" must be approved by the systemwide Provost.
- Compliance:** When Federal projects are involved, the program must be compliant with Federal Uniform Guidance regulations at 2 CFR 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards." Participating faculty retain their obligation to abide by University policy including Conflict of Interest, Conflict of Commitment, the Faculty Code of Conduct, and the policy on the requirement to submit proposals and receive awards for grants and contracts through the University.
- Duration and termination:** Phase two of the program will run for four years, beginning July 1, 2018, with a full review after the third year. At that time, the systemwide Provost, Academic Senate, and the COVC will determine the advisability of

adding policy language to the APM or terminating the NSTP. A wind-down year may be necessary at that point if the trial program is not replaced by APM policy. The systemwide Provost may suspend the NSTP effective June 30 of any year should the program be deemed to put the University at risk; an individual campus EVC/P may suspend campus participation effective June 30 of any year.

In the 2019-2020 year, each participating campus will provide the systemwide Provost with a plan for possible rescindment at the end of phase two of the NSTP.

B. Metrics, Data Collection, and Reporting

The systemwide Provost will appoint a Senate-Administration Working Group to develop appropriate metrics and data collection for phase two of the NSTP. The group will review current data collection and metrics and recommend data that should continue to be collected, data that is no longer necessary to collect, and new data that should be collected during phase two of NSTP. The Working Group will determine data collection that allows for analysis of any differences in gender and race/ethnicity between those enrolled in NSTP and others in their units who are not enrolled. The data collected should also allow for review of the impact of the program on faculty recruitment and retention, research expenditures, department morale, funding sources, graduate education, post-doctoral training, teaching loads, and program administration costs. Survey data will also be considered as an option. Appendix F in the June 22, 2017 Negotiated Salary Trial Program (NSTP) Fourth Year Taskforce Report will be a guide for the Working Group.

At the end of each fiscal year during phase two, Academic Personnel and Programs at the Office of the President will prepare an annual report on NSTP, informed by the recommendations of the Working Group, and drawing on the data collected from all participating campuses. The report will be shared with the Academic Senate and the COVC. Each campus has the option to develop additional information that will assist its administration of the program.

A comprehensive review at the end of the third year of phase two will assess whether and to what extent NSTP has advanced University goals and will recommend whether it should be added to APM policy or terminated.

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This template for campus "Implementation Procedures" documents will be used for any campus participating in the NSTP, phase two. Revisions to the template at the campus level will be reviewed by the Divisional Senate, approved by the EVC/P, and forwarded to the systemwide Provost for final approval.

The Negotiated Salary Trial Program (NSTP), phase two (July 1, 2018 through June 30, 2022), is outlined in a Basic Program Document; it incorporates the program as approved by the systemwide Provost in 2018, after consultation with a Taskforce, the Faculty Senate, and campus administration. The Basic Program Document will be appended to each Campus Implementation Procedures document.

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

For departments participating in the NSTP, all eligible members of the department faculty may apply to participate in the negotiated salary program. All members should receive a copy of the implementation procedures and any other related documents (i.e. Basic Program Document).

Proposal Submission Process

For departments who are participating in the NSTP:

- Eligible faculty members as provided for in the 2018 Basic 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.

Each year a call will be issued to eligible faculty by their respective home departments regarding the annual negotiation for the coming fiscal year (it is recommended that the call be issued as close to March 1 as possible).

Interested and eligible faculty shall submit a Trial Plan Proposal Form for the following year. This campus-based form will draw from the "NSTP Common Application form, "prepared by Office of the President, and will allow for a consistent collection of data on the NSTP, phase two. This form was issued on February 15, 2018.

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 NSTP on June 30 of any year; an individual campus EVC/P may suspend the campus participation effective June 30 of any year.

Eligibility and Faculty Responsibilities

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

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- 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)
- Research support obligations fulfilled, including current students, incoming students, tuition, benefits, research support, post-docs, etc. Faculty enrolled in NSTP have a continuing 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 (recommended due date of April 1).

The Department Chair and Department Business Officer 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 (recommended due date of April 15). The Dean will review proposals and will forward all endorsed proposals to the EVC/P (recommended due date of 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. There are two options:

Under Option A, The EVC/P 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/P will review and inform the Dean of approved proposals (recommended due date of June 1).

Under Option B, the EVC/P will review and inform the Dean of approved proposals (recommended due date of June 1). CAP will receive a report of the actions.

If a proposal is approved by the Chair, Dean and EVC/P, 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

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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.

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/P. These eligibility cases will be reviewed by CAP, who will provide a recommendation to the EVC/P. The EVC/P will issue a final resolution within 7 days of CAP review.

Approval Process

This table contains recommended intervals for the various stages in the 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/P
CAP Review <i>Option A only</i>	CAP		
EVC/P Endorsement	EVC/P	14 days	Endorse
Eligibility Appeals	EVC/P	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. (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.) 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 Plans, UCRP, Pension Choice or Savings Choice, up to the amount

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permissible by Internal Revenue Code provisions and in accordance with UC 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

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) or upon appointment to an ineligible administrative appointment.

Salary Attributes

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

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

Only external funds will be used to support this program. "External funds" refers to any non-state-appropriated funds, such as (but not limited to) endowment or gift income, professional degree fees, self-supporting degree fees, and contract and grant support. Fund sources may come from any combination of these external funding sources.

The intent of the program is that the faculty member has access to the external funds due to his or her research, teaching, or outreach activities. The funds should not be discretionary funds located in the department, school, college, or campus.

Funding must be awarded and in hand prior to June 30 of the current fiscal year to be considered for the 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

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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 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 NSTP 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).

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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 recruiting campus is participating in the NSTP, the faculty member must negotiate a new proposal with his/her new campus. A start-up package in intercampus recruitment cannot include funds to support a negotiated salary component.

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 and Reserve Fund

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.

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 NSTP 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/P.

It is expected that Deans will discuss with the faculty (a Faculty Executive Committee, for example) the usage of surplus reserve 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/P, including what faculty consultation occurred regarding the use of the funds.

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Reporting

The EVC/P 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/P.

Department Responsibilities

- Forward the EVC/P's 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/P as to which departments will participate
- Ensure all participation criteria have been met and maintain documentation of reviews
- Forward to EVC/P information on proposed faculty participation
- Ensure payroll action matches the approved negotiated salary amounts
- Report funding summary to the EVC/P.

EVC/P 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 Procedures to the systemwide Provost for approval
- Provide annual report to the divisional Academic Senate
- Prepare data for systemwide Provost annually as required by Office of the President.

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CAP Responsibilities

- Review proposals. 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/P 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.

NSTP — UCR Implementation Procedures

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 contribute external funding resources toward their total University of California (UC) salary. The trial program, which is now in its fifth year, is being renewed for another 5 years and expanded to include other UC campuses, including UCR, beginning in FY 2018-19. 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 that all concerned parties cooperate in the collection of necessary data. The NSTP will not place any additional burden on the UC Retirement Plan (UCRP).

Important principles that are 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 of this section, the NSTP is available to all UCR Ladder Rank and In Residence faculty in non-HSCP schools who hold at least half-

time appointments, and who meet the eligibility criteria set forth in subsection C of this section.

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.

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: 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); and
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 that 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* provided under the NSTP (hereafter "NSC") must be awarded and received by UCR prior to June 30 of the current fiscal year in order to be considered for the following year's negotiation. E.g., Funds that will be used in FY 2018-19, must be deposited prior to June 30th, 2018.
- 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 AY 2018-2019, which begins on July 1, 2018. In October 2018, she receives a large award that she would like to have considered for NSC. The October 2018 award is **not** eligible compensation for AY 2018-2019, but is eligible compensation for AY 2019-20.*
- 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). The scale-based salary is 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. The SBS is considered covered compensation under the University of California Retirement Plan (UCRP), up to the amount permissible by Internal Revenue Service (IRS) Code provisions and in accordance with UCRP policy and provisions.
- B. Negotiated Salary Component (NSC). A negotiated salary component is beyond scale-based salary and must be negotiated annually. The NSC is capped at 30% of the scale-based salary. The NSC is **not** considered covered compensation under the UCRP.
- C. Total UC Salary (TUCS). The total UC salary 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 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.
 - 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 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 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 will be July 1, 2018.
- B. The systemwide Provost may suspend the systemwide trial program on June 30 of any year. The UCR PEVC may suspend the NSTP for some or all Colleges or Schools on June 30 of any year.
- C. The TUCS rate will be effective July 1 through June 30. Newly hired faculty with mid-year start dates and eligible sources of funding may participate from their appointment begin date through June 30.
- D. 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 of the following year. If a participant's salary is raised effective October 1 (or any date other than July 1) due to a general range adjustment or Cost of Living Adjustment (COLA), the NSC will be reduced, and the covered compensation increased, so that the TUCS remains unchanged for the fiscal year.
- E. Early withdrawal from the NSTP is allowed only upon separation, transfer to a faculty category that is 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

V. Leaves of Absence

- A. Sabbatical leave and other leaves with pay may be taken by NSTP participants in accordance with established campus policies. Leave 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 (7/1 to 6/30).

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. Deans must 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 of each year, a call will be issued to eligible faculty by their respective Deans 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/Department Business Officer in writing. The Fund Manager/ Business Officer will confirm that the funding source is allowable, available, unencumbered, and that it 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 Form (Attachment A) to her/his Chair, by no later than April 1.
- 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
VPAP Endorsement	VPAP	14 days	Endorse
Eligibility Appeals	PEVC	7 days of CAP review	Review case and issue final resolution

- A. Chairs and Business Officers, 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 or her signed recommendation for approval/non-approval to the Dean by no later than May 1.
- C. The Dean will review proposals and forward all proposals with her or his signed recommendation to the Vice Provost for Academic Personnel (VPAP), by no later than May 15.
- D. The VPAP will make a final decision and inform the PEVC and Dean of approved proposals no later than June 1.
- E. Upon notification by the VPAP that a proposal has been approved, the Chair will send a salary confirmation letter (Attachment B) 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 CFO.
- 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 that 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.

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

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 (7/1 to 6/30), *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). The participating faculty member's contribution to the contingency fund shall be set by the dean, shall be the same for faculty across the college/school and should be 10 percent of the NSC, at a minimum. It is expected that the contingency fund will grow and reach steady state over a period of time. The contingency fund may be built through the contribution by each participating faculty member of either (i) released base-salary to the contingency fund; or (ii) an equivalent amount from any eligible fund source (e.g., unrestricted external funds, gift funds, etc.). If released base-salary is used, it must be replaced by an eligible external fund source.
- 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. If accumulations fall below this level, an increase in contribution rates or a transfer of non-state-appropriated funds will be required to bring the balance to the required level in time for appropriate notification of faculty putting forward NSTP applications for the next fiscal year. i.e. faculty must be notified at the time of the annual call for proposals by the dean that there may be an increased level of contribution to the contingency fund.

- 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, 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); and
 - 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;

XII. Responsibilities

Participating faculty

- Use the fillable electronic forms and forward them as electronic forms via e mail to Dept Business Officer/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 Responsibilities

- Forward the PEVC's 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 and
- 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 PEVC by first Monday in March as to which departments will participate
- Ensure all participation criteria have been met and maintain documentation of reviews
- Forward to PEVC information on proposed faculty participation by May 15
- Ensure payroll action matches the approved negotiated salary amounts
- Report funding summary to the PEVC.

EVC/P Responsibilities

- Issue annual call to participating units
- 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
- 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 Responsibilities

- Review list of negotiated salaries.
- 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 PEVC 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.