

NSTP Phase Two Implementation Procedures  
February 2018

*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:

NSTP Phase Two Implementation Procedures  
February 2018

- 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

NSTP Phase Two Implementation Procedures  
February 2018

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

NSTP Phase Two Implementation Procedures  
February 2018

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

NSTP Phase Two Implementation Procedures  
February 2018

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).

NSTP Phase Two Implementation Procedures  
February 2018

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.

NSTP Phase Two Implementation Procedures  
February 2018

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.

NSTP Phase Two Implementation Procedures  
February 2018

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.