



Negotiated Salary Program Implementation Procedures

UC SANTA BARBARA

OFFICE OF ACADEMIC PERSONNEL

Santa Barbara CA 93106-2034
ap.ucsb.edu

The Negotiated Salary Program (NSP), allows eligible Ladder Rank faculty to contribute external funding resources toward their total University of California (UC) salary.

See APM 672 – Negotiated Salary Program.

- **Important principles that are covered in more detail on the following pages include:**
 - The participating faculty member is required to generate their additional negotiated income.
 - The participating faculty member maintains expected teaching and service activities, commensurate with rank and department.
 - 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.

NSP participants remain subject to all UC policies including, but not limited to, Conflict of Interest, Conflict of Commitment and Outside Activities of Faculty Members and Designated Other Academic Appointees, Faculty Code of Conduct, Abusive Conduct in the Workplace Policy, Anti-Discrimination Policy, 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 and Designated Other Academic Appointees.

I. Eligibility

A. Except for faculty categories listed in point B of this section, the NSP is available to all UCSB Ladder Rank faculty (Professor Series and Professor of Teaching Series) who hold at least 50% appointments, and who meet the eligibility criteria set forth under point C of this section.

B. The following faculty are not eligible to participate in the NSP:

1. Full-time deans and faculty administrators listed in APM 240 and APM 246
2. Senior Management Group (SMG) members

C. Faculty participating in the NSP *must* be in Good Standing including, but not limited to, the following criteria:

- 1) Successful advancement in rank or step at the last academic personnel review, including meeting all expectations for carrying out faculty duties
- 2) Fulfillment of the approved, normal teaching load for the department
 - (a) 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.

- (a) financial resources may not be diverted from these commitments to fund NSP participation
- 4) Fulfillment of University service commensurate with rank and step
- 5) All research contracts and grants in good standing (e.g., no outstanding deliverables, or projects in unauthorized deficit, etc.)
- 6) Compliance with all applicable University policies (including, but not limited to the Faculty Code of Conduct, Conflict of Interest, and Conflict of Commitment and Outside Activities of Faculty Members and Designated Other Academic Appointees)
- 7) Compliance with UCSB 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, sexual harassment prevention, etc.)
- 8) Completion of all mandatory trainings
- 9) No substantiated finding of misconduct as defined by Section 015 of the Academic Personnel Manual (APM - 015) or proposed/imposed discipline in the period since the faculty member was last determined to be in Good Standing
- 10) Not currently under a disciplinary sanction imposed by a formal disciplinary process or an informal agreement with the University of California in lieu of formal disciplinary action
 - (a) A disciplinary action, as permitted by APM-016, is cause for terminating current and/or denying future participation in the NSP
 - (b) As a measure agreed to via an Early Resolution in lieu of formal discipline (as defined by Senate Bylaw 336), a faculty member can agree that they are ineligible to participate in the NSP for a defined period of time

Eligible participants may consult with their Department Chair regarding questions pertaining to the fulfillment of good standing criteria. If a faculty member is no longer in Good Standing, their ongoing eligibility will be immediately halted and their contributions to the contingency fund will be forfeited. Future eligibility will be determined based on the standard criteria and approval of reinstatement of Good Standing by the Dean.

D. In order to broaden NSP eligibility and participation so that a wide range of participants across campus are positioned to participate in the program in the future if they wish to do so, the following strategies will be implemented: (a) mentoring of early-career faculty by senior program participants to explore funding opportunities, (b) endeavor to engage in collaborative efforts that create opportunities for participation in a broad set of disciplines.

II. External Funding and Use of Funds

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 cannot 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: contract and grant support; endowment or gift income; professional degree

fees; and self-supporting degree fees. General Funds cannot be substituted for external funds in support of the program.

- 1) Although a new faculty member may be able to participate in the NSP if they bring grant funds with them, start-up funds may not be used for NSP, regardless of their origin.

B. Funding for the *Negotiated Salary Component* (NSC) provided under the NSP must be awarded and received by UCSB prior to June 30 of the current fiscal year in order to be considered for the following year's negotiation.

- 1) For example, funds that will be used in FY 2024-25, must be deposited prior to June 30th, 2024.

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.

- 1) For example, Professor A enters an NSC agreement for AY 2024-2025, which begins on July 1, 2024. In October 2024, they receive a large award that they would like to have considered for NSC. The October 2024 award is **not** eligible compensation for AY 2024-25 but is eligible compensation for AY 2025-26.

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 university, state, and/or federal requirements. Salaries charged to sponsored projects funded by federal sources must be accurately and appropriately calculated and certified in a timely manner.

G. All applicable federal policies still apply, including, for example, limits on summer salary that may be charged to grants, agency salary caps, and prohibitions on the use of state funds to pay the cap gap.

H. If any portion of the NSC 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.

I. Use of funds other than approved external funding sources constitutes misuse of funds. Any such misuse will result in involuntary withdrawal from the NSP and may result in disciplinary sanction(s) after an appropriate review.

III. Compensation Components

Participating faculty will receive both their Base Salary (which includes the on-scale or above-scale salary established by rank and step on an academic-year or fiscal-year salary scale plus any off-scale increment) and a Negotiated Salary Component.

A. Base Rate - The Base Rate is the faculty member's individual's salary-scale rate (rank and step) plus any off-scale; or Above Scale base salary. The Base Rate 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) - The Negotiated Salary Component is beyond the Base Rate and must be negotiated annually. The NSC is capped at 30% of the Base Rate, with a minimum rate of 10%. The NSC is **not** covered compensation under the UC Retirement Plan (UCRP). All compensation paid by the University under the NSP is subject to Federal and State withholding and reported on a W-2 form as wages in accordance with IRS regulations and University policies and procedures.

C. Total UC Salary Rate - The Total UC Salary Rate for faculty members participating in the NSP consists of their Base Rate plus the Negotiated Salary Component (NSC).

D. Summer Salary - Faculty must maximize summer ninth opportunities at the Base Rate rate before utilizing the NSP. 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 a NSC.

1. For NSP participants, summer ninths shall be paid at the Total UC Salary 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 NSP participants will be based upon the Total UC Salary 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 NSP 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 - NSP 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 faculty member's Total UC Salary 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 start date through June 30.

B. The Total UC Salary 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 Total UC Salary Rate remains unchanged for the fiscal year.

C. Early withdrawal from the program is allowed only upon separation from the University, as a result of a determination that a participant has fallen out of Good Standing, as a result of an official disciplinary action (as described in APM - 015, APM - 016, and Senate Bylaw 230), misuse of funds, due to an increase in Base Salary that subsumes the NSC, retirement from the University, or upon appointment to an ineligible administrative appointment.

D. Retroactive participation is not permitted.

V. Leaves of Absence

A. Sabbatical leave and other leaves with pay may be taken by NSP participants in accordance with established campus policies. Leave will be granted at the Total UC Salary 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 Base Rate.

C. If external fund restrictions preclude payment of medical/sick leave, the dean must provide appropriate unrestricted, non-state funds to ensure full payment of the Total UC Salary Rate.

D. The University is under no obligation to continue the NSC if medical/sick 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 Total UC Salary 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 NSP, the faculty member must negotiate a new proposal with their new campus. The start-up package in intercampus recruitment cannot include funds to support a negotiated salary component.

VII. Proposal Submission Process

A. Deans must provide all eligible faculty, as defined in Section I: Eligibility, with a copy of these governing rules of the NSP.

B. By **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 NSP *Faculty Proposal Form* to their Chair, by no later than **April 1**.

E. Renewals are not automatic. Continuing participation in the NSP must be renegotiated, evaluated by the Chair and Dean, and approved by the AVC-AP and EVC each year.

F. Proposals must include evidence or promise of contributions to diversity, equity, inclusion, and belonging, if such evidence is available.

VIII. Evaluation of Proposals

Action	Authority	Initial Response	Next Steps
Funding Authorization	Department 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 AVC-AP
AVC-AP Endorsement	AVC-AP	14 days	Endorsement decision
Eligibility Appeals	EVC	7 days from CAP review	Review and issue final resolution

A. Chairs (and Business Officers), in collaboration with other essential UCSB personnel, will review proposals and are responsible for verifying that:

- 1) The requesting faculty member meets all Good Standing requirements of Section I, C (determined in consultation with the Dean)
2. The Total UC Salary Rate requested is consistent with these rules
3. Allowable and appropriate resources are available to support the proposal, including: the reserve fund requirement (see Section IX), sponsor salary cap gap, graduate student support, salary threshold levels, and research equipment

B. The Chair will review proposals and forward the NSP *Faculty Proposal Form*, NSP *Fund Manager Certification Form*, and the NSP *Chair-Dean Certification Form* to the Dean no later than **May 1**.

C. The Dean will review proposals and forward all proposals with their signed recommendation to the Associate Vice Chancellor for Academic Personnel (AVC-AP), by no later than **May 15**.

D. The AVC-AP will make a final decision and inform the EVC and Dean of approved proposals no later than **June 1**. CAP will receive a report of the negotiated salary actions and conduct a post audit on eligibility, at which time they may identify cases to be flagged for expanded review in the following review cycle, if applicable.

E. Notification of approved participation (*Salary Confirmation Letter*), confirming the faculty member's total salary for the coming fiscal year, will be sent by the AVC-AP to the faculty member, Chair, and Dean. The Chair will notify the appropriate financial officer.

F. If the Chair does **not** recommend a faculty member's proposal due to insufficient funding, perceived funding instability, or ineligibility based on Good Standing, the following process shall be followed:

1. The Chair must meet with the faculty member within 10 business days 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 AVC-AP (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, they will forward the proposal, the Chair's assessment and the Dean's assessment to the EVC. These eligibility cases will be reviewed by CAP, who will provide a recommendation

and explanation regarding endorsement to the EVC. The EVC will issue a final resolution within 7 days of CAP review.

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

IX. Financial Responsibility

The Dean or their designee is responsible for managing funding of the NSP and will cover a participant's Total UC Salary Rate 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, in consultation with the AVC-AP has responsibility for establishing the requirements for the Contingency Plan. The Dean must build a contingency fund to ensure coverage of Total UC Salary Rate 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% of the NSC, at a minimum. It is expected that the contingency fund will grow and reach a steady state over a period of time. The contingency fund shall be built through the contribution by each participating faculty member based on an equivalent amount from any eligible fund source (e.g., unrestricted external funds, gift funds, etc.).

B. The contingency fund account minimum balance must be at least 10% of the total annual salary liability. 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 NSP applications for the next fiscal year. That is: 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.

1. If the funds that support the Contingency Plan are insufficient, the Dean may seek support from other non-state accounts. If such support is unavailable, the participant's NSC will be reduced in accordance with any fund restrictions across the school, department, college, or division.

C. Surplus contingency funds will be directed on an annual basis to the Graduate Division fellowship budget to support all graduate students across campus.

D. Contingency fund accumulations and expenditures shall be reported annually to the EVC.

X. Reporting to UCOP

The following data will be collected by the EVC on an annual basis and available upon request from the UC System Provost/Executive Vice President (EVP):

A. Person

- Campus
- Fiscal Year
- Employee ID
- Name
- New or continuing participant
- Early withdrawal from the program?
 - If yes, reason: Negotiated Salary Component subsumed by increase in Base Salary, Separation, Retirement, Loss of Good Standing, or Disciplinary Action.
- School/College/Division
- Department
- Title/job description from UCPath
- Rank, Step, Above or Off Scale

B. Total UC Salary Rate

- Base Salary (as defined in APM - 672-4-b)
- Administrative stipend
- Negotiated Salary Component amount
- Negotiated Salary Component %
- Total UC Salary Rate (Base + Negotiated)

C. Summer Ninths

- Summer ninths rate
- Total summer ninths taken
- If less than three (3) summer ninths, reason for exception

D. Negotiated Salary Component funding (amounts and fund categories)

E. Negotiated Salary Component contingency funding, if applicable (amounts and fund categories)

Each annual report by the EVC will include an administrative assessment of relevant issues, including a review of the process at various stages.

The EVC is responsible for providing post audit annual reports on participation, and soliciting feedback on areas of concern, from campus stakeholders.

XI. Responsibilities

Participating faculty

- Comply with all implementation and eligibility requirements
- Remain in Good Standing
- Generate appropriate non-state-appropriated funding to augment salary on a temporary basis above Base Salary

- Provide documentation of teaching and service activities and extramural expenditures for graduate students
- Use the electronic forms and forward them as electronic forms via email to Department Business Officer/Chair
- Apply to participate in a timely manner to reduce the burden on those who administer the program
- Provide all requested information in a timely manner

Department Responsibilities

- Forward the annual call to the departmental faculty
- Evaluate and endorse or deny individual faculty proposals to participate in the NSP
- Verify that faculty members are in Good Standing
- Verify the existence of appropriate and sufficient fund sources to support the proposal
- Verify that Contingency Plan requirements are met
- Forward endorsed proposals to the Dean
- If the Department Chair does not endorse an individual proposal, the Chair should meet with the faculty member to determine if a mutually agreeable solution can be reached.
- Chair forward annual salary confirmation letter to the appropriate financial officer
- Enter the negotiated salary in the payroll system
- Perform a post audit of the salary implementation in payroll
- Ensure all participating faculty provide annual documentation of teaching and service activities and extramural expenditures for graduate students. Explain changes in student support levels

Dean Responsibilities

- Forward the call to Department Chairs
- Establish the deadline for submission of proposals within the School/College/Division
- Review and endorse or deny proposals forwarded by Department Chairs
- Ensure that appropriate resources are available to support the Total UC Salary Rate
- Assess whether a faculty member is in Good Standing, in accordance with University policy and procedures
- Provide written information on how to return to Good Standing to any faculty member who is determined not to be in Good Standing
- Ensure all participation criteria have been met and maintain documentation of reviews
- Forward to AVC-AP all materials for proposed faculty participation by May 15
- Ensure payroll action matches the approved negotiated salary amounts
- Establish, maintain, and manage contingency funds
- Report funding summary, overview of funding sources/types, and demographic analysis of participants to the EVC and AVC-AP

AVC-AP Responsibilities

- Update (as appropriate) campus-level Implementation Plan in consultation with other administrators, the division Academic Senate, and the Office of the President (Systemwide Academic Personnel)
- Issue annual call to participating units
- Inform the Dean and EVC of final decisions and approved proposals by June 1

- Notify the Department Chair, faculty of approved plans in June
- Report negotiated salary participants to CAP
- Maintain operational authority over the development and – subsequent to review and approval by the UC System Provost/EVP – implementation and monitoring of the campus Implementation Plan.

EVC Responsibilities

- Ensure that affected NSP participants and the appropriate division Academic Senate committee(s) are afforded the opportunity to review and comment on Implementation Procedures
- Review faculty appeals of negative findings by the Dean and Department
- Maintain appeal resolution documentation
- Maintain open communication with Academic Senate on implementation issues and concerns. Serve as Office of Record for approved proposals
- Ensure the following responsibilities are assigned and executed by the appropriate office(s):
 - Develop strategies for broadening program participation, including strategies for senior program participants to mentor junior faculty to explore funding opportunities and broaden campus-wide involvement
- 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

- Complete a post audit of negotiated salary program participants
- Review faculty appeals of negative findings by the Dean and Department Chair where eligibility is at issue and make a recommendation with explanation to the EVC
- Review annual reports on participation; provide feedback to EVC if there are issues or concerns

XII. Non-Compliance with the Implementation Plan

The consequences for noncompliance with the Implementation Plan include suspension by the UC System Provost/EVP from participation in the NSP. Individual faculty participants may be removed from the NSP or denied future participation in the program.