

Negotiated Salary Program – APM 672
UCSD Implementation Plan
July 1, 2025

I. Eligibility

The following Senate series in the General Campus Schools (Arts and Humanities, Social Sciences, Physical Sciences, Biological Sciences, Jacobs School of Engineering, Rady School of Management, Global Policy and Strategy, and the School of Computing, Information and Data Science) and the Scripps Institution of Oceanography may participate in the Plan if they meet Good Standing criteria and have appropriate external funding:

- Ladder Rank Professor
- Teaching Professor
- Professor In Residence

Full-time Deans and Faculty Administrators as listed in [APM 240](#) and [APM 246](#), respectively, are not eligible to participate in the Plan. Senior Management Group (SMG) members are not eligible to participate in the Plan.

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

Joint appointees may participate in the NSP if the designated home department is on the General Campus or SIO. Both Department Chairs must approve the NSP request. Joint appointees whose home department is in a Health Sciences department, making them eligible to participate in the Health Sciences Compensation Plan (HSCP), are not eligible.

In order to broaden NSP eligibility and participation, all faculty will be encouraged to utilize the services of the Research Development team which assists with identifying funding opportunities, advising on strategy for working with sponsors, proposal writing and more.

The Chancellor, or designee, may suspend the campus participation effective **June 30** of any year, in accordance with APM - 672-24.

II. Good Standing Criteria

Faculty participating in the Plan (hereafter as "Participants") are required to meet minimum Good Standing criteria as follows:

- Fulfillment of the Participant's approved teaching load and University service (commensurate with rank and step)
- Advancement in rank or step in last academic review (or equivalent satisfactory review)
- Maintenance of the participant's position as a leader in a chosen field of research
- All research contracts and grants are in good standing, (e.g. no outstanding agency reports or accounts in deficit)
- Fulfillment of graduate student support and training obligations
- Compliance with reporting and training requirements

Negotiated Salary Program – APM 672
UCSD Implementation Plan
July 1, 2025

- Compliance with all applicable University policies

In addition, participation for one or more Plan years will not be allowed if there has been a 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 or if the faculty member is 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. The faculty member may participate in future years only after all previous misconduct and/or discipline sanctions have been resolved and if they are again deemed to be in Good Standing.

Departments are permitted to develop additional Good Standing criteria. Good Standing criteria must be approved by a two-thirds majority of the department's Senate faculty. Once approved, changes to the department's Good Standing criteria must be provided to all department faculty, the appropriate Dean, the Senior Associate Vice Chancellor for Academic Affairs (Sr. AVC-AA), and the Committee on Academic Personnel (CAP).

If a faculty member is deemed to have fallen out of Good Standing and wishes to appeal that determination, see process as outlined in Section X.

III. External Funding

Only external funds may be used to fund the Negotiated Salary Component (NSC) under the Plan. External funding is defined as any fund source that is non-State-appropriated general funds or student tuition funds, such as (but not limited to) endowment or gift income, professional degree fees, self-supporting degree fees, royalties, licensing fees, and contract and grant support.

The external funds should represent additional fund sources for the University, to which the Participant has access due to their research, teaching, or outreach activities. The funds may not be drawn from tuition paid by students in state-supported projects or discretionary funds associated with the department, school, college, or campus that are fungible for other purposes. Start-up funds may be used as a fund source for a participant's summer salary but not the Negotiated Salary Component.

Funding for the Negotiated Salary Component must be awarded and in hand prior to June 30 of the current fiscal year. If a Participant is appointed after July 1 in a given academic year, they may be eligible to participate in the Plan if they can provide award confirmation/receipt by UCSD. Adequate funding must be available for the entire year of the proposal, without exception. New funding awarded after the Negotiated Salary Component has been determined may be substituted for other funds used in the plan year but may not be used to increase the participation percentage.

Negotiated Salary Program – APM 672
UCSD Implementation Plan
July 1, 2025

Funding for the Negotiated Salary Component must have a stable source, paid in accordance with any related fund source restrictions, and must be sufficient to include the related benefits costs.

Use of funds under the NSP must adhere to UC and federal regulations. All charges to contracts and grants must be compliant with Office of Management and Budget (OMB) Circular A-21. Effort for salaries charged to sponsored projects funded by federal sources must be accurately and appropriately calculated and certified.

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.

IV. Contingency Fund

A sufficient contingency fund must be developed to assure the University does not incur unexpected costs due to the Plan.

Building the Contingency Fund

Each faculty member with a Negotiated Salary Component will contribute released Base Salary equal to 10% of the Negotiated Salary Component to the contingency fund. This is accomplished by charging the appropriate amount of Base Salary against an allowable external fund source in UCPath (General Ledger/Fund Entry/Multiple Components of Pay). This “releases” the state funds that the covered compensation was charged against. The released salary should be moved to a distinct contingency fund account within the Financial Information System (FIS).

Using the Contingency Fund for Funding Shortfalls

The contingency fund will be used to cover the Negotiated Salary Component for faculty who have unexpected shortfalls in funding (unrelated to disciplinary action) so that Total UC Salary is paid for the entire Plan year. If the Participant has unrestricted funding available in a research account, that funding will be used first before tapping into the contingency fund.

Use of Surplus Funds

The contingency fund account minimum balance must be at least 20% 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. Surplus funds may be redirected to other uses only after the minimum balance is secured.

The Chair will consult with the Senate faculty on the department’s plans for the use of surplus funds (e.g., graduate support, temporary teaching needs, etc.) and the allocation process. The Chair will discuss the plan with the Dean. The Dean will have final authority on the use and allocation of surplus funds within the School. Surplus contingency funds may not be used as a fund source under the NSP and thus may not be directed to individual faculty for such purposes.

Negotiated Salary Program – APM 672
UCSD Implementation Plan
July 1, 2025

V. Salary Definitions and Limitations

The approved salary under the Negotiated Salary Plan is referred to as the Total UC Salary and is comprised of the Base Salary and a Negotiated Salary Component.

Base Salary

The Base Salary is defined as the regular scale salary rate plus any off-scale (or above scale rate) as approved at the time of hire or as a result of regular academic review.

The Base Salary is considered covered compensation under the UC Retirement Program up to the amount permissible by Internal Revenue Code provisions and in accordance with UCRP policy and provisions. The base salary is the recognized salary for benefit calculations (i.e., retirement, disability, life insurance, etc.).

Negotiated Salary Component

The Negotiated Salary Component is negotiated for each Plan year. It is not considered covered compensation under UCRP.

The Negotiated Salary Component cannot exceed 30% of the Base Salary. Factors to consider in determining the Negotiated Salary Component include but are not limited to Good Standing, available external sources, and comparative market salary data.

The Negotiated Salary Component will be considered in determining whether a faculty member's salary exceeds the Indexed Compensation Level (ICL) threshold.

The Total UC Salary will be effective July 1 through June 30. The total salary will not change during July 1 through June 30 period for any reason including but not limited to: mid-year range adjustments, mid-year retentions, or the receipt of additional external funds.

If there is a mid-year range adjustment (e.g., 10/1), the Negotiated Salary Component will be adjusted downward by the amount of the covered compensation increase so that the Total UC Salary remains unchanged for the participation year.

Newly hired faculty with mid-year start dates may participate from the appointment begin date through June 30.

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](#)), due to misuse of funds, due to an increase in Base Salary that subsumes the Negotiated Salary Component, or upon appointment to an ineligible administrative appointment.

Retroactive participation requests are not permitted.

All compensation paid by the University under the NSP will be subject to Federal and State

Negotiated Salary Program – APM 672
UCSD Implementation Plan
July 1, 2025

withholding and reported on a W-2 form as wages in accordance with IRS regulations and University policies and procedures.

Participation in the NSP is voluntary, and resulting salaries must be requested, negotiated, and approved annually. In the event that funding is reduced, lost, or frozen after the start of the participation year, the faculty member is responsible for immediately notifying the Department, Dean, and Senior Associate Vice Chancellor for Academic Affairs. If appropriate replacement funds cannot be identified by the faculty member or are otherwise unavailable, a reduction of the Negotiated Salary Component (NSC) may result.

VI. Additional Compensation

Summer Salary

Faculty are expected to take a full three-ninths additional summer compensation at the Total UC Salary. The following exceptions will generally be approved by the Sr. AVC-AA but must be noted on the request via drop down selection:

- A portion of summer compensation is issued as a flat rate (on the Base Salary amount) for administrative service. This may be supplemented only with non-State funds that do not require percent effort reporting.
- A portion of their summer compensation is for teaching in Summer Session and paid at a lower rate. This may be supplemented only with non-State funds that do not require percent effort reporting.
- The Participant is taking time off during their off-duty period.

Summer ninths shall be paid at the Total UC Salary according to standard summer salary policies.

Summer Session teaching compensation will be based upon the Total UC Salary in effect on June 30 of the calendar year in which the Summer Session begins.

NSP participants must take their summer salary during the 7/1 – 9/30 summer pay period.

A maximum of 2/9ths summer salary or the equivalent amount of academic year salary may be charged to NSF grants.

Administrative Compensation

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.

Overload Teaching

Overload compensation is paid separate from the NSP at the time services are rendered and is not to be used as an NSP fund source. Overload teaching calculations are to be based on the Base Salary rate (scale plus off-scale or above scale).

Negotiated Salary Program – APM 672
UCSD Implementation Plan
July 1, 2025

Outside Activities

External consulting and other externally compensated activities by participating faculty members will be permitted in accordance with APM 025, Conflict of Commitment and Outside Activities of Faculty Members and Designated Other Academic Appointees. Category 1 activities anticipated during the Plan year must be pre-approved prior to the negotiation process as these activities may preclude participation.

VII. Leaves of Absence and Intercampus Transfers

Sabbatical Leave

Sabbatical leave will be granted at the Total UC Salary 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 Base Salary.

Sabbatical leaves must be declared and approved prior to the salary negotiation process.

Other Approved Leaves with Pay

Leaves with pay, including but not limited to Faculty Medical Leave, Expanded Paid Sick Leave and Family and Medical Leave, will be granted at the Total UC Salary through June 30 of the year of the leave. The University is under no obligation to continue the Negotiated Salary Component if the leave with pay continues into the next salary negotiation cycle (7/1 - 6/30).

If grant restrictions preclude payment of such leaves, the department must provide appropriate unrestricted funds to ensure full payment of the Total UC Salary.

All leaves should be declared and approved prior to the salary negotiation process whenever practicable.

Temporary Intercampus Appointments

Temporary intercampus appointments, including Faculty Consultant payments, will be based on the Total UC Salary in effect during the temporary appointment.

Permanent Intercampus Transfers

For permanent intercampus transfers, if the recruiting campus is participating in the NSP, the Participant must negotiate a new proposal according to the Implementation Plan at the new campus. The Negotiated Salary Component may not be a factor in determining a competing UC offer. Start-up packages for intercampus recruitments are prohibited from including funds to support Negotiated Salary Components.

VIII. Participation Request and Approval Process

The Call

The Sr. AVC-AA will issue the official call by February 15 via campus announcement to Senate faculty.

Negotiated Salary Program – APM 672
UCSD Implementation Plan
July 1, 2025

No later than March 1 of each year a call will be issued to Senate faculty by their respective Schools and/or home departments regarding the annual submission and negotiation process for the coming fiscal year.

The Chancellor, or designee, may rescind the Call and suspend campus participation, prior to **June 30** of any year, in accordance with APM - 672-24.

Proposal Submission and Approval

Faculty who wish to participate in NSP will first discuss their proposal with the department staff to ensure funding and meet with the Department Chair regarding eligibility requirements and their proposed participation percentage/Negotiated Salary Component.

Once confirmed, the department staff (generally the Academic Personnel Analyst) will initiate the proposal in Quali Build by established School and Campus deadlines.

The Quali Build application, managed by Academic Personnel Services, will be used to record all participation requests, certifications, and approvals. The Quali form includes required certifications in compliance with APM 672 and will automatically route for approvals.

The general routing steps are below. At any point in the process, a form may be returned for more information, cancelled, or denied in consultation with Academic Personnel Services.

- Department staff initiates the Quali request, including the fund types to be used for the contingency fund and Negotiated Salary Component
- Fiscal Analyst certifies the availability of appropriate and sufficient external funds and notes if the Participant is in overdraft on any accounts and how it will be remedied
- Participant certifies they will perform all teaching/research/service duties, fulfill graduate support commitments, and confirm that leaves have been approved, and required training is complete, etc.
- Department Chair certifies the faculty is in Good Standing and that all program obligations are met (as referenced in the Evaluation of Proposals section)
- Dean endorses the request or declines the request
- Academic Personnel Services reviews the request for policy compliance, obtains the Sr. AVC-AA's final decision and issues the approval letter(s)

NOTE: If there is an academic file in process that has not been completed before the approval is issued, the Participant will receive a provisional approval letter based on their current rank/step/salary. Once the file is complete, the department will update Quali with the final outcome and request a final approval letter.

Negotiated Salary Program – APM 672
UCSD Implementation Plan
July 1, 2025

- Once approvals are recorded in Kuali, the Dean's Office will be notified to disseminate the approval letters to the faculty member and department.

IX. Evaluation of Proposals

At each step of the Kuali certification process, the responsible authority will evaluate the proposal to ensure it meets the Plan standards as follows:

The Department Chair is responsible for verifying and ensuring:

- Faculty member meets the Good Standing criteria
- Total salary requested is within the market-based salary standards for the department, is equitable within the department and across the discipline, and is consistent with policy
- Funding obligations for the Total UC Salary including Negotiated Salary Component, contingency fund requirement, NIH salary cap gap, graduate student support, and research group support have been met
- Approved teaching load is fulfilled as approved
- Requested leaves and associated APM 025 certifications are approved

The Department Chair should discuss and resolve issues with the Participant before endorsing any proposal.

The Dean will review proposals and discuss any concerns with the Department Chair and Sr. AVC-AA as necessary.

The Sr. AVC-AA will issue the final decision.

Continuing participation in the Plan must be renegotiated, evaluated by the Chair and Dean, and approved by the Sr. Associate Vice Chancellor each year. Renewals are not automatic.

X. Denial of Participation

If the Chair does not endorse a proposal because a faculty member does not have sufficient funding, the Chair will inform the Dean and the Dean will review. If the Dean concurs, the Dean will issue a decision to the faculty member. If the funding requirements can be met prior to the annual deadlines, a proposal may be resubmitted.

If the proposal is not endorsed by the Chair because the faculty member does not meet the minimum Good Standing criteria, the Chair will inform the Dean and the Dean will review. If the Dean concurs, they will ask the faculty member to withdraw their application. If the faculty wants to appeal their ruling, the application, supporting materials, and all assessments will be forwarded to Academic Personnel Services. Good Standing cases will be reviewed by the Sr. AVC-AA. The Sr. AVC-AA will issue a final decision within fourteen (14) days of receiving a request from the Dean.

Negotiated Salary Program – APM 672
UCSD Implementation Plan
July 1, 2025

XI. Consequences for Non-Compliance

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

The consequences for noncompliance with the Implementation Plan include suspension by the UC System Provost/EVP from participation in the NSP. An individual campus (EVC/P) may suspend the campus participation effective June 30 of any year. Individual faculty participants may be removed from the NSP or denied future participation in the program.

Any expected misuse of funds under the NSP will be reported to Audit and Management Advisory Services (AMAS) for review. Further steps and remedies will be determined after consultation with leadership.

A disciplinary action, as permitted by APM - 016, is cause for cancelling current and/or denying future participation in the NSP. As a measure agreed to via an Early Resolution in lieu of formal discipline (as defined in and encouraged by Senate Bylaw 336), a faculty member can agree that they are ineligible to participate in the NSP for a defined period of time.

XII. NSP Metrics

Program metrics, as listed in APM 672 – Appendix A, will be collected and reported to the UC System Provost/EVP on an annual basis. Metrics will be reviewed annually with the Sr. AVC-AA to ensure program stability and the impact to faculty recruitment and retention. Surveys may also be utilized to gather additional feedback from the Deans, Chairs, and Faculty.

XIII. Roles and Responsibilities of Participating Faculty and Leadership

Faculty Responsibilities

- Remaining in Good Standing
- Generate appropriate non-state-appropriated funding required for participation
- Submit proposal as per department procedures

Department Chair/Department Responsibilities

- Remind faculty of the call for proposals issued by the Sr. AVC and Dean
- Document the funding authorization process used for all proposals
- Document the methodology used to determine the Negotiated Salary Component in each case
- 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 Participant to determine if a mutually agreeable solution can be reached.*

Negotiated Salary Program – APM 672
UCSD Implementation Plan
July 1, 2025

- Ensure the Participant receives the annual salary confirmation letter
- Ensure the negotiated salary is entered in the payroll system and post-audited

Dean Responsibilities

- Notify the Sr. AVC-AA which departments will participate
- Establish the deadline for submission of proposals within the School
- Review and endorse or deny proposals forwarded by Department Chairs
- Ensure that appropriate resources are available to support the Total UC Salary Rate
- Ensure department contingency fund accounts balances are at least 20% of the total annual salary liability
- Assess whether a faculty member is in Good Standing, in accordance with local 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 Sr. AVC-AA information on proposed faculty participation
- Provide funding to cover shortfalls that are not covered by the contingency funds, and/or delays in reducing the Negotiated Salary Component in case of funding interruptions.

Senior Associate Vice Chancellor for Academic Affairs (Sr. AVC-AA) Responsibilities

- Develop campus-level Implementation Plan in consultation with other administrators, the division Academic Senate, and the Office of the President (Systemwide Academic Personnel).
- Make the final decision regarding faculty proposals to participate in the NSP
- Review and endorse or deny exception requests not to take the maximum summer salary
- 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 the division Academic Senate about implementation issues and concerns
- 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.
- Serve as Office of Record for approved proposals
- Establish campus data collection and reporting (meeting, at a minimum, the reporting requirements outlined in [APM 672](#) – Appendix A) to monitor the effectiveness and equity of the campus Implementation Plan
- Prepare data for UC System Provost/EVP as requested by Office of the President.
- Ensure that affected NSP participants and the appropriate division Academic Senate committee(s) shall be afforded the opportunity to review and comment on the proposed Implementing Procedures (this authority may be redelegated)

Negotiated Salary Program – APM 672
UCSD Implementation Plan
July 1, 2025

Chancellor Responsibilities

- Submit the campus Implementation Plan to the UC System Provost/EVP
- Maintain operational authority over the development and subsequent review and approval by the UC System Provost/EVP, implementation and monitoring of the campus Implementation Plan, including establishing a campus maximum percent of Base Salary, for the Negotiated Salary Component, and the Contingency Plan.
- Submit revisions to the campus Implementation Plan to the UC System Provost/EVP
- Determine whether the campus, and which schools, will participate in the Negotiated Salary Program after consultation with the divisional Academic Senate and Executive Vice Chancellor.

Academic Senate Responsibilities (both division and systemwide)

- Review and comment on the campus Implementation Plan and proposed exceptions to the campus Implementation Plan that the Chancellor intends to submit to the UC System Provost/EVP for review.

UC System Provost/EVP Responsibilities

- Review campus Implementation Plans
- Review proposed exceptions to campus Implementation Plans other than summer salary requirements.

Negotiated Salary Program – APM 672
UCSD Implementation Plan
July 1, 2025

ATTACHMENT A: Administrative Oversight and Financial Responsibility Chart

Responsible Office	Process Task
Department	<ul style="list-style-type: none"> Establish department deadlines for NSP that will ensure completion by School and APS deadlines Advise faculty on the NSP policy and process Certify availability and appropriateness of funding Document the funding authorization process used for all proposals for audit and reporting purposes Manage Contingency Fund and confer with Dean prior to using contingency fund surplus Certify faculty are in Good Standing prior to submitting participation request; advise faculty on completing training and other requirements as necessary Submit completed Kuali request Enter necessary transactions in UCPATH (Negotiated Salary Component, Fund Entry, Leaves, Summer Salary, etc.) The MSO is responsible for ensuring the UCPATH Transactions are entered and reviewed for correctness Monthly review of Department Operating and Payroll Expenditure (DOPE) reports and reconciliation with Effort Reporting data For each participant and Plan year, track teaching, service activities, and extramural expenditures. Graduate student support should be documented, including any significant changes in support levels by NSP participant. Provide this and other data to APS as requested.
Dean's Office	<ul style="list-style-type: none"> Establish School deadline that will ensure completion by APS deadline Issue School Call Meet with departments annually to train on NSP requirements and school expectations Review funding worksheets to ensure pay is documented correctly and that appropriate fund sources are used for the Negotiated Salary Component and the contingency fund Return incomplete or inaccurate requests via Kuali to department with sufficient time for corrections. Endorse requests in Kuali after ensuring accuracy, completeness Distribute provisional and approval letters to faculty and department once decision is issued via Kuali Track data on the impacts of NSP on the School's faculty recruitment and retention efforts, research programs, teaching loads, and service;

Negotiated Salary Program – APM 672
UCSD Implementation Plan
July 1, 2025

	<p>provide this and other data to APS as requested</p> <ul style="list-style-type: none"> • Perform a post-audit of NSP salary and funding in UCPATH using Cognos reports • Report contingency fund account accumulations and expenditures to Dean annually (and Sr. AVC-AA upon request) • Coordinate agreement between Dean and departments on proposed use of surplus contingency funds
Academic Personnel Services (APS)	<ul style="list-style-type: none"> • Draft call letter for Sr. AVC-AA • Provide annual training overview/refresher for Dean's Offices upon request • Ensure UCPATH job aids are up to date • Manage routing, form revisions, and troubleshooting in Quali • Ensure participant requests are complete and compliant with policy (APM 672) • Secure Sr. AVC-AA approvals • Coordinate review of contested Good Standing cases with CAP and Sr. AVC-AA • Generate provisional and approval letters • Conduct post-audit reviews of UCPATH Job Data to ensure entered amount matches approved amount, non-continuing faculty have no Negotiated Salary Component beyond 6/30, summer salary ends by 9/30, etc. • Implement range adjustment including reduction of Negotiated Salary Component to maintain approved Total UC Salary • Serve as Office of Record for approved proposals and appeal resolution documentation • Provide NSP participant data set to UCOP-AP annually as required by APM 672 – Appendix A • Prepare and secure approval for NSP-related Indexed Compensation Level (ICL) threshold cases • Consult with Faculty Fellow for Faculty Development on strategies to increase participation rates for junior faculty. The Faculty Fellow may suggest mentoring by senior NSP participants, encouraging faculty to work with VC Research on sourcing external funding, etc. • Review NSP metrics annually with the Sr. AVC-AA