



OFFICE OF THE PROVOST AND EXECUTIVE VICE PRESIDENT
ACADEMIC AFFAIRS

OFFICE OF THE PRESIDENT
1111 Franklin Street, 12th Floor
Oakland, California 94607-5200

June 10, 2024

CHANCELLORS
ACADEMIC COUNCIL CHAIR JAMES STEINTRAGER
LABORATORY DIRECTOR MICHAEL WITHERELL
ANR VICE PRESIDENT GLENDA HUMISTON

Re: Issuance of Academic Personnel Manual (APM) Section 672, Negotiated Salary Program

Dear Colleagues:

I am formally issuing Academic Personnel Manual Section 672, Negotiated Salary Program. The new policy, which is to be implemented by July 1, 2025, may be found online on the [Academic Personnel and Programs website](#).

Background

Discussions of a possible negotiated salary program for general campus faculty have occurred at the University of California for more than 20 years, at both the campus and systemwide levels. These discussions culminated in the Negotiated Salary Trial Program (NSTP), which was approved by the Academic Council and the Council of Vice Chancellors for implementation in an initial phase from July 1, 2013, through June 30, 2018. Three campuses, including UC Irvine, UC Los Angeles, and UC San Diego, participated in phase one of the NSTP. In year four of phase one, a joint Senate-Administration Taskforce that was convened to review the program issued its report to then-UC Provost/Executive Vice President (EVP) Aimee Dorr on June 22, 2017, recommending continuation of the program under certain conditions. In January 2018, based on input from the systemwide review, then-UC Provost/EVP Michael T. Brown approved an expansion and continuation of the NSTP in a second phase, to begin on July 1, 2018, and run through June 20, 2022, with a possible one-year extension to facilitate determination at that time whether to establish the program as APM policy, terminate the trial program, or alter the trial program. In addition to the three phase-one campuses, three new campuses (UC Davis, UC Riverside, and UC Santa Cruz) joined the program during phase two.

On September 17, 2021, then-Provost/EVP Brown approved a one-year extension of the NSTP, for an additional fifth year of phase two for fiscal year 2022–23. Additionally, he requested that the six participating campuses provide a plan for possible rescindment should the program end. On October 12, 2021, then-Provost/EVP Brown appointed the Senate-Administration NSTP Phase 2 Taskforce to review the program and make a recommendation on whether to institutionalize the program in policy or to end it. The Senate-Administration Phase 2 Taskforce “concluded that ending the negotiated salary program would be so disruptive that we cannot

recommend such a course of action. Rather, accepting that it needs to continue, we have addressed how it can be improved and expanded.” They offered broad recommendations for a permanent negotiated salary plan.

On April 15, 2022, then-Provost/EVP Brown distributed for a 90-day Systemwide Review the Report from the Negotiated Salary Trial Program Phase 2 Taskforce, seeking input and advice on the Taskforce recommendations, as summarized in the executive summary, and supported by the report text and appendices. As it became evident that the University of California Office of the President would not be able to appoint Provost/EVP Brown’s successor until later in 2022-23, Phase 2 of the NSTP was extended for another additional year, into fiscal year 2023-24. The NSTP continued to be based on the “Program Document” first issued on June 15, 2012, and updated on February 18, 2018, and including subsequent modifications and clarifications.

On September 12, 2022, in appreciation of the need to accord the incoming Provost and Executive Vice President for Academic Affairs sufficient time to review the large volume of systemwide comments that were submitted, then-Provost/EVP Brown extended Phase 2 of the NSTP for another additional year, into fiscal year 2024-25. In February 2023, shortly after my appointment as Provost and Executive Vice President, I reviewed the feedback received during Systemwide Review of the Report of the Negotiated Salary Trial Program Phase 2 Taskforce and determined that the NSTP should be institutionalized in policy.

From late May 2023 to late July 2023, APP distributed the draft policy for management consultation. Comments submitted to APP recommended revisions to several provisions. APP distributed the revised draft of APM - 672 for systemwide review from September 2023 to December 2023. Systemwide review comments reflected support for the new policy but also noted several concerns with the policy, including the need for more data regarding the impact of the Negotiated Salary Trial Program (NSTP) prior to implementing a permanent salary program, the risk of inequity in opportunities to participate in the NSP, and the new program’s potential to exacerbate salary gaps and distort the research, teaching, and service missions of the University of California.

Extensive data collection has occurred since the inception of the NSTP. These data include the comprehensive reports produced by the Phase 1 and Phase 2 NSTP Taskforces, as well as the more focused annual reports on the program. The data collected to date point to important benefits of the NSTP, including an overall increase in research expenditures and mentorship without any corresponding decline in teaching or mentoring. The NSP does not permit course buyouts, and NSP participants must remain active University faculty engaged not only in teaching, but also in research and service. They must also demonstrate a record of timely advancement (or an equivalent satisfactory review). Overall, the data collected to date suggest that the NSP will support the overall educational and research missions of the University of California and that mitigates the loss of UC faculty to competitor institutions.

Summarized below are the key provisions that have been incorporated into the new policy.

Key Policy Provisions

The purpose of the Negotiated Salary Program (NSP) is to provide a mechanism for participating campuses to augment faculty compensation on a temporary basis according to the competitive requirements of academic disciplines. Specific goals of the NSP include:

- To recruit and retain outstanding faculty by leveraging external, non-state-appropriated funds;
- To encourage and recognize significant contributions to the University mission; and
- To offer negotiated compensation to participating general campus faculty.

The policy includes the following key provisions:

- **Eligibility:** Eligibility is limited to Senate faculty and Acting appointees in Senate titles. Faculty who hold appointments in a school, college, or department with a Compensation Plan (e.g., health sciences, vet med) are not eligible to participate in the NSP.
- **Implementation Plan:** Each campus must develop an Implementation Plan that is consistent with the policy. In accordance with the norms of shared governance, the Implementation Plan will be reviewed by the appropriate division Academic Senate committee, approved by the Chancellor, and reviewed by the UC Provost/EVP prior to implementation.
- **Contingency Plan:** The Campus Implementation Plan must include a Contingency Plan outlining a strategy for covering the agreed-upon compensation, and in a manner not to impact State funds, to each NSP participant in the event that current-year income is unexpectedly insufficient to do so.
- **Good-Standing Criteria:** Written Good Standing Criteria shall be established at the campus level and must be included in the Campus Implementation Plan. Faculty participants in the NSP must be in Good Standing, make significant contributions to the mission of the University, and meet all other conditions of the campus plan.
- **Negotiated Salary Component:** The Negotiated Salary component cannot exceed 30% of the Base Salary that was in effect on July 1 of the proposed participation year.
- **Range Adjustments:** Covered Compensation is eligible for the general range adjustment, but the Negotiated Salary Component will be adjusted so that the Total UC Salary Rate remains unchanged.
- **Summer NINTHS:** To be eligible for NSP, the candidate must take the maximum amount of summer salary available to them unless the Campus Implementation Plan includes provisions allowing participants to take fewer summer nINTHS. Locations have authority to grant exceptions to the summer nINTHS requirement. Campus Implementation Plans shall address the process by which a participant may request an exception to the summer nINTHS requirement.
- **Leaves of Absence:** Salaried leaves of absence will be paid at the Total UC Salary Rate, which includes the Negotiated Salary Component. In the event of a funding shortfall, the Contingency Plan will be implemented to resolve the shortfall.
- **Data Collection:** Appendix A establishes minimum requirements for collection of data on which locations must be prepared to report, if requested to do so. It is the responsibility of the Chancellor at each location to establish campus data collection and

reporting to monitor the effectiveness of the campus Implementation Plan, which is expected to outline the types of data, if any, that will be required beyond that detailed in Appendix A.

In preparation for implementation of the policy on July 1, 2025, my office will share guidance on developing a campus implementation plan that aligns with the new policy. This guidance will also support campuses that currently participate in the Negotiated Salary Trial Program (NSTP) and that need to update local NSTP implementation plans to conform with requirements for the NSP.

Successful implementation of the NSP will require partnership between the divisional Senate and Administration to design implementation and assessment criteria for each participating location. In the interval between policy issuance and implementation on July 1, 2025, campuses should consider ways to augment the salaries of faculty in disciplines with lower potential for NSP participation and to both increase and broaden overall participation in the salary program by faculty across all disciplines. As it will be important to assess the impact of the new policy, Academic Affairs will undertake a comprehensive review of the NSP at the systemwide level by July 1, 2030.

I wish to thank all those involved in the consultation regarding the development of this important APM policy. Your contributions are deeply appreciated.

Sincerely,



Katherine S. Newman
UC System Provost and
Executive Vice President for Academic Affairs

UC Berkeley Chancellor's Distinguished Professor
of Sociology & Public Policy

Enclosure:

1. APM - 672, Negotiated Salary Program

cc: President Drake

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