



*Robert L. Powell*  
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*Chair of the Assembly and the Academic Council*  
*Faculty Representative to the Board of Regents*  
*University of California*  
*1111 Franklin Street, 12th Floor*  
*Oakland, California 94607-5200*

November 28, 2012

**SUSAN CARLSON, VICE PROVOST**  
**ACADEMIC PERSONNEL**

Dear Susan:

The Academic Senate reviewed the Negotiated Salary Trial Program and received responses from seven divisions (UCB, UCD, UCI, UCLA, UCSB, UCSC, UCSD) and six committees (CCGA, UCAAD, UCAP, UCFW, UCORP, UCPB). In general, respondents were disappointed that most of the Senate's concerns with APM 668, the prior attempt to design a negotiated salary plan, were not substantively addressed. Nonetheless, Council adopted a resolution that does not oppose implementation of the trial program at the three designated campuses on condition that the respective divisional Senates agree in writing (see below).

The enclosed responses highlight the issues that Senate agencies found particularly problematic, including that it could undermine the Senate's role in UC's merit-based peer review process; reduce the pressure on the University to maintain competitive salary scales; create and further exacerbate salary inequities among disciplines and research focus areas, funding sources, and across campuses; cause conflicts of interest and/or faculty effort; divert funds used for graduate student support; and harm faculty morale.

Of particular concern, and cutting across responses that were more or less critical of the proposal, Senate divisions and committees observed that the proposed trial program does not define the criteria or metrics for determining its success or failure and it does not provide a realistic "exit strategy." These two features directly undermine the notion that this is a "trial." Many agencies expressed doubt that the negotiated salary program is an appropriate instrument to achieve its stated purpose of supporting faculty recruitment and retention, given its temporary nature, and that the extra compensation would divert the faculty member's grant funds from research. Some suggested that this strategy could harm retention efforts by injecting uncertainty into individual compensation projections, creating the implicit expectation that individuals must raise their own compensation, and by harming the morale of faculty who can not participate. Several respondents commented that the trial period is too short and the number of likely participants is too small to draw meaningful conclusions about the program's broader application. These issues must be addressed for the trial to be considered a legitimate and scientifically valid test.

Despite these objections, the Academic Council decided to support campus decisions to participate in the trial if both the divisional Senate and the campus administration agree that it is appropriate for their campus. Any trial program should be carefully monitored and the criteria for success or failure should be defined in an implementation plan. If the program should be extended beyond the trial period, no campus should be required to participate. The motion endorsed by Council is below.

**The Academic Council endorses individual campus participation in the trial program if and only if the Senate division approves of their participation with a formal letter to their EVC, with a copy to the chair of the Academic Council and the UC Provost and Executive Vice President. Council requires that the chairs of the divisions that participate report to the Council on an annual basis the lessons learned. (16 in favor, 2 opposed).**

While Council supported campus autonomy to experiment with ways to address compensation challenges, members also emphasized that the best way to resolve recruitment and retention issues is to increase the salary scales. The Senate and administration must work together to find creative solutions to maintaining the excellence of the faculty without further undermining the peer reviewed merit and promotion system that has been the cornerstone of UC's success.

Finally, I want to emphasize that Council's support was based on its members' resignation to the notion that the trial will proceed, regardless of its recommendation. This sense of futility is related to the review of the proposed APM 668. Indeed, as a trial proceeds, it must be with the recognition that the overwhelming majority of faculty who have reviewed it consider such plans at odds with the foundational principles that underlie the personnel processes on general campuses, especially merit review. Council's approval of the Trial NSP is just that. It is not an endorsement of an HSCP-like program for all general campuses, nor does it presuppose a favorable outcome of the Trial. Council did not discuss the differences between the environment in which the HSCP operates and general campuses, nor did it pass any judgment on the HSCP. Rather, it focused its attention on the extremely limited Trial and the specific questions that will need to be answered in order for it to be declared a success.

Senate responses to this trial program should be seen as a backdrop for upcoming discussions of faculty salary increases meant to make faculty salaries competitive. All faculty, not just those who might qualify for inclusion in the Trial NSP, deserve competitive salaries. Indeed, rather than a trial NSP or APM 668, a better approach is to see current APM policies through to their logical conclusions. APM 610-0 (a) states, "It is the policy of The Regents upon recommendation of the President to request the Governor to provide a salary increase fund in the Governor's budget sufficient to maintain the University's relative salary position." Both the 2012-13 and the proposed 2013-14 budgets provide for such increases. We look forward to working with you and Provost Dorr on the implementation of the increases.

Sincerely,



Robert L. Powell, Chair  
Academic Council

Cc: Academic Council  
Provost Dorr  
Martha Winnacker, Senate Executive Director



320 STEPHENS HALL  
UNIVERSITY OF CALIFORNIA

November 14, 2012

ROBERT POWELL  
Chair, Academic Council

*Subject: Negotiated salary trial program*

Dear Bob,

On November 5, 2012, the Berkeley Division of the Academic Senate discussed the Negotiated salary trial program, informed by reports of our divisional committees on Academic Planning and Resource Allocation (CAPRA), Budget and Interdepartmental Relations (BIR), and Faculty Welfare. We note that the trial program differs very little from the proposed APM 668, which was circulated for review during the last academic year. Given that, we call your attention to the comments of the Berkeley Division on proposed APM 668 dated December 5, 2011, in which we raised a number of serious concerns. From our perspective, the trial program addresses none of the concerns we raised. Indeed, reframing the proposal as a pilot has raised a new set of concerns. The appended excerpt from BIR's report articulates these clearly.

In sum, our division is still deeply dissatisfied with this program. We reiterate and underline our support for campus autonomy with respect to the plan. Our division has a strong tradition of Senate engagement in setting faculty salaries, grounded in the principle of shared governance. We see nothing in the original proposal or in the pilot program to rival our current system. We do not object to other campuses pursuing the negotiated salary plan if it meets their local needs. Similarly, we believe that the ability to opt out of the plan, if it does not meet campus needs, is essential.

Sincerely,

*Christina Maslach*

Christina Maslach  
Chair, Berkeley Division of the Academic Senate  
Professor of Psychology

Encl.

Cc: Alexis Bell and Panos Papadopoulos, Co-chairs, Committee on Academic Planning and Resource Allocation  
Shannon Jackson, Chair, Committee on Budget and Interdepartmental Relations  
Calvin Moore, Chair, Committee on Faculty Welfare  
Martha Winnacker, Executive Director, Academic Senate  
Aimee Larsen, Manager, Committee on Budget and Interdepartmental Relations  
Diane Sprouse, Senate Analyst, Committee on Academic Planning and Resource Allocation

## Excerpt from the report of the Committee on Budget and Interdepartmental Relations dated October 18, 2012

In reviewing the current proposal, we also want to add that we have additional concerns that were not raised in our first response.

- The organization of the study is not thorough. Given the importance of the pilot program as an experiment, it is critical to specify clearly and fully the objectives of the program and the metrics by which the desirability of continuing the program beyond the pilot phase will be measured. We find the current descriptions to be inadequate.
- Variability of practices on different campuses is not taken into account. The Trial Program is intended to serve as a basis for learning what works and what does not. For that reason, it is not clear to us that “Program consistency across campuses is essential to ensure that the collected data are useful in assessing the program.” One might well conclude that exactly the opposite is true.
- The parameters of the funding program are unclear. We are uncertain whether the external funds have to be raised by the specific faculty member receiving negotiated supplemental salary, or if the funds can be from, say, a department-wide pool of external funds. To the extent that the funding must come solely from external sources that have tagged the funding for a specific faculty member, our concerns about the diversion of faculty effort are especially great. Indeed, we are worried about induced distortions in the topics on which faculty choose to do research.
- The program does not account for the fungibility, in practice, of different kinds of funding sources. Although the “General Campus Negotiated Salary Trial Program” states that “General funds cannot be substituted for external funds in support of the program,” in many instances, this statement would be—and already is—meaningless. Funding is broadly fungible. Many departmental activities rely on general funds and external funds simultaneously. The proposed Trial Program offers no mechanism that would prevent a department from reducing the degree to which it supports such activities using external funds—and increasing the use of general funds—in order to divert the external funds to the NSP. General funds would, thus, indirectly support the NSP. Given changing budget needs, we see no way that such transfers could be prevented without triggering a host of other problems.
- The Trial Program makes little serious effort to track the behavior of faculty who participate in revenue-generating programs. Does such participation encourage them to devote less time to core teaching and service on campus? How does this program affect faculty morale for both participating and non-

participating faculty? Does the study consider asking non-participating faculty about the effects of the program on their working environments? Once again, we do not believe that a four-year program could yield the “trend data” that would provide adequate answers to these questions, but the absence of even a limited study in the pilot is evidence of how little the authors of the proposed program are considering such factors.

- The Trial Program and the regular process of merit review are not aligned. For example, under the proposed trial, once an annual negotiated salary has been set, the recipient’s total salary cannot be changed during the year due to a retroactive merit increase. It appears to us that this policy could have unintended consequences or could create ill-will when a case is not processed on time.
- The Trial Program is not based on a clearly articulated set of sound principles. For instance, no rationale is provided for the proposed policy of providing medical-leave benefits for negotiated supplemental salary even when the external funding source does not allow it. This policy is directly at odds with the notion that the NSP benefits are funded by external sources.
- The Trial Program does not contain a well-specified and credible process for terminating the NSP in the event that serious problems arise. In addition to the lack of clearly articulated standards for what would constitute program success, there are serious time-consistency issues. Once the pursuit of outside funding has been institutionalized and critical members of the faculty have come to depend on those funds, re-establishing a traditional scholarly community would be extremely difficult.



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November 17, 2012

**ROBERT L. POWELL, CHAIR**

University of California  
Academic Council  
1111 Franklin Street, 12<sup>th</sup> Floor  
Oakland, CA 94607

**Re: Proposed Negotiated Salary Trial Program – UC-wide Review**

The proposal was forwarded to all Davis Division of the Academic Senate standing committees and Faculty Executive Committees within the schools and colleges for comment. Detailed responses were received from the Committees on Affirmative Action and Diversity and Academic Personnel-Oversight, as well as the Faculty Executive Committee from the College of Letters and Science.

In December 2011, the proposed Negotiated Salary Program, specifically the New Policy APM 668, was reviewed and not supported by the Davis Division of the Academic Senate. The previous year's official response is enclosed for continuity.

Currently, there is no support for the trial as proposed. Several of the committees reiterated their concerns expressed in response to the APM 668 proposal review. In particular, they echoed that shifting salaries to external sources will create salary differentials and inequities for faculty who are ineligible for grants that enable salary shifts, and the College of Letters and Sciences Faculty elaborated that they have already been subjected to the unfair procedure of assessing budget cuts through the college's ability to move faculty salaries to grants. The issue of shifting salary sources leading to the defunding of graduate students was also repeated.

Generally, the Affirmative Action and Diversity Committee is in favor of a plan that makes UC more competitive with other institutions, since many faculty members who are underrepresented minorities are often recruited away by more favorable salaries. However, they expressed several specific concerns with the pilot, stating that the plan should further define allowable sources of income, and that some of the allowable sources mentioned could drive up student costs due to the increased pressure to increase faculty salaries. They also expressed concern that Academic Federation faculty is not included in the pilot program.

The Committee on Academic Personnel-Oversight (CAP) continues to have significant concerns. The pilot will effectively create a separate salary negotiation process. CAP finds it inappropriate to become involved in annual actions or evaluations separate from the standard merit cycles. CAP would prefer to have a retrospective role in assessing the impact of a negotiated salary agreement as a part of the next merit assessment, not before.

In closing most official responses as well as conversations concerning the trial program echo the concern of the College of Letters and Science faculty. How can the UC push forward with a trial program based

on a proposal that received “significant push-back” system-wide? The fact has not changed that this program in trial form represents a ‘foot in the door’ to a policy that was already heavily criticized and frankly rejected by a significant number of the very individuals it was purported to benefit. It is also hard to see how the program, if it is genuinely a trial program, could be used as a tool for recruitment and retention. Its potentially temporary nature would surely greatly undermine its effectiveness.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bruno Nachtergaele". The signature is written in black ink and is positioned above the typed name.

Bruno Nachtergaele, Chair  
Davis Division of the Academic Senate  
Professor: Mathematics

Enclosure: December 2011 Davis Division Response: APM 668 Proposal



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December 8, 2011

**ROBERT ANDERSON, CHAIR**

University of California  
Academic Council  
1111 Franklin Street, 12<sup>th</sup> Floor  
Oakland, CA 94607

**Re: Systemwide Review of Proposal to Establish APM 668, Additional Compensation:  
Negotiated Salary Program (NSP)**

The proposal was forwarded to all Davis Division of the Academic Senate standing committees and Faculty Executive Committees within the schools and colleges for comment. Detailed responses were received from the Committees on Affirmative Action and Diversity, Academic Personnel-Oversight, Faculty Welfare, Planning and Budget, Research and Graduate Council. In addition the Faculty Executive Committees from College of Agricultural & Environmental Sciences, School of Education, College of Engineering, College Letters and Science, and Graduate School of Management commented.

There is no support for the policy as currently written. As stated by the Graduate School of Management Faculty and supported by select respondents, "There is support for the foundational premise of aligning incentives to pursue opportunities that are beneficial to the research mission of the university while offering revenue sharing." However, many respondents desire adherence to the current appointment, merit and promotion process. The reliance on off scale salaries in lieu of adequately funding the faculty salary scales is seen as undermining the fairness and equity attempted through the peer review process. Additionally, there is grave concern regarding the potential impact of the policy, if implemented, on graduate education.

The Committee on Faculty Welfare states, "This proposal seeks to address a real problem: retaining our best faculty during a time of scarce resources. The method it offers, however, is flawed. Eligible faculty would have to be judged in "good standing" according to the chair of their department and then negotiate with the chair to augment their salary from grant(s) they had previously acquired. The successful implementation of this program would only produce a temporary increase in faculty salaries, lasting as long as their grants. The prospect of placing some of our most successful faculty on a monetary roller coaster, rising and falling with available grant resources, hardly makes their retention more assured."

Professor Joe Kiskis opined, "Since almost all faculty would be "in good standing," and thus, in principle, eligible for an NSP salary increase, essentially everyone would have an incentive to constantly petition their department chair and dean for an NSP. The new process for determining an NSP requires proposals and review with participation from the faculty members making requests, department chairs, and the EVC/Provost. Of course this is in addition to the administrative overhead of the existing personnel processes." Committee on Research asked, "Would the department chair have the final say regarding whether faculty can participate?"

The Committee on Research "understands that the School of Medicine already participates in a similar negotiated salary program. The main concern is that the proposed negotiated salary program would create two tiers of faculty on campus. Faculty in disciplines that have the ability to receive large external grant funding would be able to participate in the program. Faculty in other disciplines where receiving large external grant funding is more difficult would not have the same opportunity to participate in a negotiated salary program. The negotiated salary is "soft money" and can go away unlike "off-scale salaries" in the traditional salary plan. The concern is that researchers can lose research assistants and other staff if grants are not renewed." Further, the College of Letters and Science Faculty states, "The proposed policy almost automatically excludes Humanities faculty, as they rarely have applicable funding to which to appeal for increased compensation, and appears to be formalizing a permanent, two-tier compensation system, which is deplorable."

Several respondents expressed concern that the proposed policy may create or exacerbate faculty salary gender equity issues as reported in the recent document from UCAAD. Such a consequence is unacceptable.

The Committee on Academic Personnel-Oversight (CAP) opined that the proposed policy seeks to create, "a parallel evaluation system in the hands of department chairs, which would reduce the traditional role of the Academic Senate (CAP in particular) and the significance of traditional faculty merit processes." This is a perspective shared by many responding to the item. Further, "Success in securing extramural funds, in the fields where funds are available and needed for research, is one element considered by CAP in determining its recommendations for appointments, merits and promotions. Therefore, the proposed NSP impacts the role of CAP in that it additionally rewards faculty for securing extramural funds outside of the normal merit and promotion system. If APM 668 is approved, should CAP then change the way it weights and evaluates extramural funding?"

As pointed out by Graduate Council, "while it will be up to funding agencies to evaluate the competitiveness and compliance of funding proposals based on proposed APM 668, it is clear that its potential negative impact on the larger research ecology that has supported the development of new generations of researchers violates the spirit of mentorship and training long associated with publicly funded research at universities like UC Davis." Additionally, "Altering incentives will likely result in faculty spending more time focused on writing grant proposals and managing funding, less on mentoring graduate students and less on teaching. To optimize chances of obtaining grant funding, science faculty will have an incentive to hire postdoctoral fellows rather than graduate students. Postdoctoral fellows arrive in the laboratory trained and are more productive in terms of immediate research output than graduate students. Using postdoctoral students to support research gives the opportunity to engage in grant writing both personally and to use the postdoctoral scholars as ghostwriters for additional proposals submitted in the name of the faculty." Is this the behavior we wish to encourage as a result of the proposed incentive?

The proposal includes a provision for a "contingency fund." This is mentioned but not described in the proposed policy language. Implementation of this fund is another item at the discretion of chancellors. From the material accompanying the proposed policy, one concludes that the purpose of the contingency fund is to serve as an insurance policy. In the examples in that accompanying material, there would be a tax on the state-funded, pre-NSP base salary of participating faculty members (3% in the examples). The combined money thus collected would make a campus contingency fund that would be used to continue the NSP for any faculty member for the duration of the NSP agreement even if the external fund source from which the NSP is drawn disappears. So, state money is set aside to insure that the salary increases of NSP participants are continued even if the external funds are not available. Who would be required to pay the 3% "contingency fund" tax; only faculty that participate in the program or all faculty members?

The Davis Division of the Academic Senate does not support the policy as written.

Sincerely,



Linda F. Bisson, Chair  
Davis Division of the Academic Senate  
Professor: Viticulture and Enology



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November 14, 2012

Robert Powell, Chair, Academic Council  
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**RE: UCI Senate Review of the Negotiated Salary Trial**

At its meeting of November 6, 2012, the Irvine Division Academic Senate reviewed the proposal to begin a four-year trial of the Negotiated Salary Program (NSP) on the general campuses at Los Angeles, San Diego, and Irvine. If endorsed, the trial programs would begin July 1, 2013. Data collection will enable a full assessment of the NSP's effectiveness in the third year, including a survey to ascertain the extent to which this program has successfully helped with hiring and retention and has not been detrimental. The following comments were prepared by the relevant Councils:

**Council on Faculty Welfare, Diversity, and Academic Freedom (CFW)**

**Implementation Details.** The report offers a framework but the implementation details are unclear. In order to proceed with the trial, the Council believes that certain questions must be answered. How will the trial be evaluated? What parameters are being used to measure success? The Council recommends the Senate at each of the three campuses work closely with administration to develop and approve local guidelines to support the framework.

**Research Program Effects.** The Council believes there may be positive side effects with the trial program. For example, faculty would be incentivized to pursue additional grants. Faculty may choose more non-modular grants. If properly administered, there could be an increase in funding to the university. But, it should also carefully consider the impact of shifting allocation of money earmarked for other research expenditure towards faculty salaries.

**Salary Equity.** If the trial moves forward, under local implementation in the department, there should be metrics for ensuring faculty obtain the same agreement regardless of race, gender, ethnicity, or a person's ability to negotiate to prevent exacerbation of equity issues already in place. The Council recommends consulting Advance or an equity advisor when crafting the local guidelines for implementation.

**Equitable Treatment Due to Funding Sources.** It is noted that not all funding sources can be used in this plan. This is not a reflection of the how competitive the funding award is, but the regulations on its usage that goes with that specific award. If within the same department, two faculty members with two different funding sources, both highly and equally competitive may be unequally treated under this plan, not because of the relative merits of the faculty, but purely because of the differences in funding sources. For example, a plant biologist is usually funded by NSF and a stem-cell biologist is funded by NIH. Both funding sources are competitive, but the plant biologist will be disadvantaged under negotiated salary plan. This may lead to unpleasant situations if they are in the same department since faculty within the same department affect each other's professional life more than those in different departments. So we suggest implementing this plan within a department only if all faculty have access and opportunity to get funding from the sources that allow use of funds in the negotiated salary plan.

**Use of Contingency Fund.** The intent behind the negotiated salary plan is not just to provide a non-state source of income for salary, but also to generate income to the university through taxing the grant source in the form of contingency fund. The implementation plan should carefully monitor and study the use of this contingency fund.

### **Council on Academic Personnel (CAP)**

It is the view of UCI's Council on Academic Personnel that the NSP unfairly favors faculty in certain disciplines over others because not all fields have the same access to non-State funding. Some federal and private agencies allow salary other than summer salary (e.g., NIH), while others do not (e.g., NSF), and only some disciplines can offer self-supporting graduate programs. We are also concerned that an over-emphasis on graduate level self-supporting programs may lead to declines in undergraduate education and in research by participating faculty. The NSP will increase the salary gap between faculty in different fields, may further polarize faculty into "haves" and "have nots" even within schools, and may radically change the academic culture at UC.

Given that if the four-year trial is ultimately approved to begin July 1, 2013, UCI would be one of the three trial sites, we reviewed the draft implementation procedures in detail. The implementation template appears to address many of the questions raised when the NSP proposal was first reviewed in AY 2011-12. Although we are in favor of the oversight provided by CAP being responsible for reviewing (a) proposals prior to approval, and (b) faculty eligibility appeals, the timelines add to an already heavy workload. The turnaround time for CAP's review (May 1 to June 1, 2013) would put severe pressure on CAP at a particularly busy time of year.

### **Council on Planning and Budget (CPB)**

CPB reviewed a closely related proposed APM 668 Negotiated Salary Plan last year, and opposed the plan. The systemwide Senate Academic Council also opposed the plan. The proposed General

Campus Negotiated Salary Trial Program does not address the majority of either CPB's or the Academic Council's prior objections. CPB thus unanimously opposes the General Campus Negotiated Salary Trial Program (henceforth referred to as NSTP), and repeat the reasons for our opposition here:

**1. The plan undermines the UC merit system and increases salary inequity.**

The UC merit and promotion review process, paired with the step salary scale, is supposed to be the primary method to set faculty salaries on the basis of faculty teaching, research, and service. APM 210 states that "The quality of the faculty of the University of California is maintained primarily through objective and thorough appraisal, by competent faculty members, of each candidate for appointment or promotion."

The proposed NSTP undermines this merit system. Some faculty will receive substantially higher salaries primarily on the basis of the availability of research funds that qualify for use in the NSTP. APM 210 states that faculty shall be judged on "the record of the candidate's performance in (1) teaching, (2) research and other creative work, (3) professional activity, and (4) University and public service." Although attracting research funds may enable a faculty member to increase their research contribution, the awarding of those funds does not by itself constitute a research contribution. Certainly, attracting qualified research funds does not constitute a greater contribution than attracting non-qualified research funds. The NSTP would thus increase the inequities in salary amongst faculty judged by the merit system to be at the same rank and step, even within the same discipline.

**2. The plan takes pressure off increasing the step salary scale to match market salaries, to the detriment of the majority of the faculty.**

The NSTP's motivation, described by its authors, is to reduce the use of retention offers and to compensate faculty at competitive levels. The lack of competitiveness of UC faculty salaries is indeed a critical issue, and the use of retention offers increases inequity. However, individually negotiated salaries are not an appropriate or equitable policy solution to these problems. A more direct and effective solution to uncompetitive salaries is to increase the step salary schedule to a competitive level. Increasing the salaries of faculty who participate in the NSTP would directly reduce the motivation to compensate non-participating faculty at competitive levels.

The Steering Committee report states that "raising the scales alone will not address the need for a competitive compensation plan, especially for faculty working in the most market sensitive and competitive areas". However, such differences in market salary by area can be rectified using differentiation by school, not by individual faculty.

**3. The plan violates the intent of federal research grant funding.**

OMB, NIH, and NSF regulations are clear in their intent regarding the use of federal research funds for faculty salary. The intent is that it is appropriate for federal research funds to be used to pay for faculty time devoted to federal research projects at the faculty member's regular compensation. The intent is also clear that federal research funds are not

to be used to increase a faculty member's regular compensation. The NSTP is designed to try to satisfy the letter of these regulations, but it clearly violates their intent.

Furthermore, in most cases use of research grants for the NSTP will correspondingly reduce the use of these funds for other research purposes, since in most cases the total research funds awarded will not increase in order to support the NSTP. This redirection of research funds will result in less support for graduate students and research-related equipment and materials.

#### **4. The plan does not achieve its own goals.**

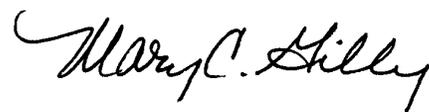
The NSTP has fewer goals than the prior Negotiated Salary Plan (NSP). While the prior NSP goal of increasing "the appropriate mix of teaching, research, and service activities" is not stated as a goal of the NSTP, we believe that the NSTP would discourage, not encourage, the appropriate mix by placing a very large incentive on attracting qualified funds.

Similarly, while the prior NSP goals of offering "consistent benefits and privileges to general campus faculty" is not stated as a goal of the NSTP, the NSTP would result in increasing, not decreasing, consistency of benefits.

NSTP's states two goals. The first stated goal is to address a "pressing recruitment and retention need". However, as discussed in #2 above, we believe individually negotiated salaries are not an appropriate or equitable policy solution to these problems. The second stated goal is "data collection to allow for a full assessment of the program". However, the data collected will not address any of the concerns discussed #1, #2, and #3.

The Senate Cabinet agreed with the comments from CFW, CPB, and CAP. The UCI Administration and Cabinet will consider the criteria for evaluation and identify how many faculty actually qualify for this trial.

The Irvine Division appreciates the opportunity to comment.



Mary C. Gilly, Senate Chair

C: Martha Kendall Winnacker, Executive Director, Academic Senate

November 14, 2012

Robert Powell  
Chair, Academic Council

**Re: Negotiated Salary Pilot Program**

Dear Bob,

Thank you for the opportunity to review and opine on the Negotiated Salary Pilot Program. Upon receipt of the report, I requested review by all Faculty Executive Committees, the Committee on Diversity and Equal Opportunity (CODEO), the Council on Planning and Budget, the Faculty Welfare Committee, and the Council on Academic Personnel (please see attached). Among all of the responses, only CODEO was supportive of the program. The School of Nursing raised no objections to others participating in the program, but was not interested in becoming a participant. All other responses were, on balance, in the negative.

As addressed in our system-wide discussions, faculty members were confused about this pilot program. Many were concerned that the issues raised about 668 were not adequately addressed. Faculty at UCLA questioned if the pilot would be allowed to go forward for data collection purposes if it was supported and endorsed by some units or campuses but not others.

This letter constitutes the response of the Executive Board, which speaks for the campus on such matters. Although some members Executive Board did not oppose, in principle, a pilot negotiated salary program, the majority did not endorse the current one as written. The Board raised the following concerns:

- The proposed pilot program is not structured to provide information that would speak to the program's eventual implementation throughout the system, including generalizing to other campuses.
- Some noted that a longer pilot would be necessary to provide a better judgment as to the success of the program.
- The Board was concerned that the pilot did not include adequate metrics by which to declare the pilot a success or failure, especially as it impacts students. These metrics are needed prior to any launch.

Please do not hesitate to contact me should you have any questions.

Sincerely,



Linda Sarna  
Chair, UCLA Academic Senate

Cc: Martha Kendall Winnacker, Executive Director, Academic Senate  
Jaime R. Balboa, Chief Administrative Officer, UCLA Academic Senate

November 06, 2012

To: Linda Sarna  
Academic Senate, Chair

From: Francisco Ramos-Gomez, DDS;MS:MPH  
Committee on Diversity and Equal Opportunity, Chair

Re: Negotiated Salary Plan Pilot

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The Committee on Diversity and Equal Opportunity reviewed and thoroughly discussed the proposed Negotiated Salary Plan Pilot Program. There was overall support for the plan as well as some concerns expressed. After thorough review, the Committee offers the following observations:

**Positive Aspects of the plan:**

Level playing field in regards to salary

Increase resources and promote multidisciplinary approaches

Assist and challenge faculty to be more entrepreneurial and collaborative

Assist with retention of faculty and the ability to remain competitive with other world class universities

Benefit departments - would bring in extramural funding and lessen dependency on state funding

**Concerns:**

Dean/Department Chair could impair salary negotiations if they had “approval/control”

Disparities (salary) could exist (it was noted that the SOM already contribute to a pool for all to share “social service”)

Different areas of scholarly work could be valued differently depending on access to extramural funding associated with the discipline

Specific programs could be affected negatively due to lack of available funding in that discipline

How would resources be appropriated/distributed in an equitable way

The committee looks at this proposal favorably since it is a demonstration project that looks at each campus individually and based on their own needs, but would like to propose an ongoing monitoring and tracking of the execution plan with data that is shared with our CODEO members on a regular basis.

Cc: Jaime Balboa, Chief Administrative Officer, Academic Senate  
Dottie Ayer, Assistant to Chief Administrative Officer, Academic Senate  
Carolynne B. Hogg, Principal Policy Analyst, Academic Senate  
Carole Goldberg Vice Chancellor of Academic Personnel.

# UCLA *Academic Senate, Council on Planning and Budget*

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November 2, 2012

Professor Linda Sarna  
Chair, UCLA Academic Senate

## **Re: Council on Planning and Budget Response to Negotiated Salary Pilot Plan**

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Dear Professor Sarna,

The Council on Planning and Budget (CPB) discussed the Negotiated Salary Plan (NSP) pilot proposal at our meeting of October 22, 2012. This plan follows the same overall structure of the previously reviewed (2011) APM 668 proposal to provide campus faculty that are not part of the Health Science Compensation Plan a mechanism to develop a negotiated salary component of up to 25% of their core salary (base + off-scale). In response to the serious concerns expressed last year regarding APM 668, the NSP Taskforce proposed the current pilot to be implemented in a four-year trial at UCI, UCLA, and UCSD. Key to the pilot program is collection of outcomes data to reflect the impacts on retention, teaching, graduate and post-graduate student funding, nature of salary funding sources and a variety of faculty characteristics. It is noted that the negotiated salary cap has been raised to 30% in the new pilot proposal.

The NSP proposal was recognized by CPB to have potential merit in providing an avenue for improving faculty salaries outside the limited resources of our general funds, for retention, reward, and recruitment. Additionally, merit increases would still follow the same path of peer-evaluation. However, considerable concern remains that the negotiated salary (NS) is under the purview of Chairs and Deans, and not under the oversight of our peer-review process. While we recognize that direct negotiations with Deans over salary occur, the NSP is seen as accelerating this process. When the salary source comes from the individual effort of a faculty member, like an extramural grant as a principle investigator, there is a direct relationship between performance and reward. However, if the allocation of salary funding is derived from a department source or group effort (like revenue from a self-supporting program), issues of fairness and favoritism are likely to be raised. Without peer-review of the NSP, transparency is lost.

CPB recognized additional issues discussed in our previous review, which were also noted by the Taskforce. The NSP may produce a shift in faculty focus as they chase the most likely sources of salary funding, there may be reallocation of endowment funds to salary instead of support for students and research, and there may be increased disparity among faculty, even within the same department.

The NSP Taskforce envisions the pilot implementation as providing assessment of the concerns described above. However, there are a number of serious flaws in the proposal. The three pilot sites are all campuses with a health science program and the corresponding compensation program. The prior familiarity with a similar salary program may lead to a very different result than what might be expected to occur in divisions that do not have health sciences. Since departments will only selectively participate, the pilot does not appear to be able to assess the impact on both departments and individuals not participating. It will be difficult to assess what are expected to be medium to long-term impacts in the relatively short three-year primary report. And, if the pilot ends up being terminated, there does not appear to be any planning on how the changes, and perhaps damage to individuals, would be unwrapped. One of the most serious flaws mentioned in our discussion is the lack of outcomes based on the changes in academic experience from both participating and non-participating faculty, and staff and student perspectives. Since the Faculty Welfare Committee has ongoing survey protocols for faculty welfare, they should be consulted to consider additional questions that would provide insight into the impact on the broad faculty of the NSP program sites. If the NSP proposal is adopted at UCLA, the framework for local implementation should take into account all of these issues.

In summary, the need to think creatively about increasing salary support in these difficult times is clear to CPB. However, the concerns expressed over APM 668 have not been sufficiently addressed in the NSP pilot proposal, and the trial plan appears to have significant flaws that may significantly skew interpretation of the results. Because of these concerns, CPB does not support the implementation of the NSP pilot program at UCLA.

Sincerely,



Neal Garrett  
Chair, Council on Planning and Budget

cc: Jan Reiff, Vice Chair, Academic Senate  
Andy Leuchter, Immediate Past Chair, Academic Senate  
Jaime Balboa, Chief Administrative Officer, Academic Senate  
Linda Mohr, Assistant Chief Administrative Officer, Academic Senate  
Members of the Council on Planning and Budget

# UCLA *Academic Senate*

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November 5, 2012

To: Linda Sarna  
Chair, UCLA Academic Senate

From: Gerald Kominski  
Chair, UCLA Faculty Welfare Committee

Re: **Senate Item for Review: *Negotiated Salary Plan Pilot Program***

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The UCLA Faculty Welfare Committee discussed the *Negotiated Salary Plan Pilot Program* at their meeting on October 2, 2012. The Committee does not endorse, nor oppose the proposal as written.

Most members are concerned that this proposal represents a concession that the state is no longer responsible for paying adequate faculty salaries. By conceding a reduced state commitment to funding faculty salaries, faculty believe the proposal will lead to further erosion of the state's obligation to provide financial support to the UC system in the future.

Other members support the proposal as the most immediate and effective mechanism for increasing faculty salaries among those engaged in extramurally funded activities that contribute to the training and teaching mission of the university.

Although salaries disparities already exist between faculty who earn summer nines and those who don't, the proposal would increase those disparities, and could result in further intended consequences regarding relative teaching and service workloads for participating versus non-participating faculty.

Should you have any questions, please feel free to let me know.

cc: Jaime Balboa, Academic Senate Chief Administrative Officer  
Dottie Ayer, Academic Senate Policy Analyst

**UCLA** *Academic Senate*

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November 06, 2012

To: Linda Sarna, Chair  
Academic Senate

From: Council on Academic Personnel

RE: Proposed APM 668 – Negotiated Salary Plan

CAP has reviewed the Taskforce report on a negotiated salary plan for the general campus and has no further comment at this time.

**MEMORANDUM**

November 2, 2012

To: Jaime R. Balboa  
Chief Academic Officer, UCLA Academic Senate

From: Dominique M. Hanssens  
Chair, UCLA Anderson Faculty Executive Committee

The UCLA Anderson Faculty Executive Committee (FEC) met on Friday, October 26, 2012 to review and discuss the following five Academic Senate items:

- Open Access Proposal Policy
- Revised APM – Leaves of Absence/General
- New APM – Visiting Scholars
- Negotiated Salary Pilot Plan
- Re-benching Report

After review and discussion, the FEC agreed that they had no comments to provide in relation to the Open Access Policy, and the new Academic Personnel Policy 430 - Visiting Scholars. With respect to the three remaining items, they wished to relay these comments:

*Revised Academic Personnel Policy 700 – Leaves of Absence/General, Presumptive Resignation:* Suggest that absence from duty be defined as a 60-day period rather than 30 days, following the expiration of an approved leave or 30-day absence from academic duty without approval. The FEC endorses this proposal.

*Negotiated Salary Pilot Plan:* A concern was raised that the proposed plan institutionalizes inequity and promotes a compensation (rather than excellence) based culture. The University's focus should be on excellence in research and teaching. This proposal also removes the first and last tiers of the evaluation system (Faculty, Chair, Dean and AVC) of academic work and teaching contribution. The removal of the first tier, wherein the greatest level of scrutiny occurs, is particularly disturbing as it opens up the system to non-transparent side deals. The FEC does not endorse this proposal.

*Re-benching Report:* The FEC agreed that they support UCLA's opposition to this proposal.

Please let me know if you require any further information.

c: R. Bucklin, Faculty Chairman & Deputy Dean, Academic Affairs, UCLA Anderson  
J. Olian, Dean & John E. Anderson Chair, UCLA Anderson

FACULTY EXECUTIVE COMMITTEE  
*College of Letters and Science*

A265 Murphy Hall  
Box 951571  
Los Angeles, California 90095

**To:** Linda Sarna, Chair, UCLA Academic Senate

**Fr:** Michael Meranze, Chair, College Faculty Executive Committee 

**Date:** November 2, 2012 **(UPDATED – November 5, 2012)**

**Re:** **College FEC response to the proposed Negotiated Salary Pilot Plan for UCLA, UCI, and UCSD**

Thank you on behalf of the College Faculty Executive Committee for the opportunity to review and opine on the proposed Negotiated Salary Pilot Plan for UCLA, UCI, and UCSD. We discussed the proposal at our October 19, 2012 meeting and after a lengthy and lively discussion, voted to reaffirm our opposition to the Plan both at UCLA and at the other campuses and urge the Senate to oppose it as well (6 approve, 1 oppose, 0 abstain).

The committee does not wish to revisit the concerns and questions it expressed in last year’s response (a copy is attached for reference), except to point out that UCOP did not respond in any substantial way to the concerns of the divisional senates. While some minor clarifications were made in the margins, the trial program, like the original program, continues to be ambiguous about the possibility of various tuition and fees being used for the program. Moreover, insofar as the proposal retains the idea that the supplemental funds will be counted towards summer 9ths, it is impossible to know with certainty whether general funds will not be involved. We mention this simply to underline the continuing ambiguities present in the proposed program and the extent to which—on the substantial questions raised by the FEC (and indeed the larger Senate) last year, UCOP has responded by offering essentially cosmetic changes.

Clearly, the most significant change in the proposal is its redefinition as a “trial” program. The strong majority of the FEC found the trial inadequate to address the questions that had been raised. Following are the Committee’s specific objections:

- 1) The proposed “trial” is untenably vague regarding metrics or process of evaluation. Although the proposal does include a variety of questions that will be asked, there is no indication of what would constitute success or failure. Moreover, despite the many questions raised last year about the effects of the Salary Supplement Plan on campuses as a whole, the proposed qualitative evaluation consists of little more than asking participants if they benefited enough to be satisfied with the program. We fail to see how this is an adequate system of evaluation. There is no indication that the review process will include a wide range of faculty and Senate comment. In the end, the review process is not designed to meet the larger questions raised.
- 2) Even if the metrics and process were more adequately defined, the Committee is unable to see how, what is effectively a 3 year trial can answer the questions about the mid- to long-range impact of the Program that lay at the heart of many objections to the original program. As you will recall, the FEC and others raised questions about the ways that the proposal would increase the burden on faculty to

raise their own salaries, create new inequities between faculty, and alter the overall structure of faculty compensation. No one suggested that these changes were likely to be clear in a few years. As a result, it is difficult to see how the trial program will allow meaningful metrics. It appears that the “trial” is all but designed to solicit a positive response to the proposal.

- 3) We are also skeptical about the proposal to place the “trial” at selective campuses. We recognize that this part of the proposal likely is connected to the presence of significant Health Science programs on the selected campuses. But that logic suffers from two separate flaws. First, as the FEC discussed the proposal and also learned more about the Health Science Salary Program, we were impressed by how inappropriate it is to compare the situation in the Health Sciences with the proposed program for the general campus. There is a more collective sharing of revenues (especially clinical revenues) in the Health Sciences, which means that their salary program contains a large collective and unifying quality. In the case of general campuses the program would function in the opposite way—separating out faculty even more based on their place either in particular departments running SSPs or based on their funding source. Second, and just as importantly, faculty in the Health Sciences at UCLA (and by our best information at the other Health Science campuses) remain rigorously on-scale in their salaries. A far different system applies on the general campus where off-scale salaries are common because of the inadequacies of the basic salary scales. Deans on the general campus already have many tools at their disposal to secure recruitment and retention. We are skeptical of adding one more layer of individual negotiation to a system where individual negotiation is already prevalent. Moreover, the proposed “trial” is designed to test the possibility that the supplemental salary program will be placed in the APM where it would affect all campuses. We are unconvinced of the logic of trying out a program on campuses with particular and unusual characteristics and then using that particular experience to make policy for all campuses.

As we indicated last year, we recognize that this proposal has come about because of specific issues relating to faculty at the interface of the Life and the Health Sciences. But we remain convinced that the University would be wiser to formulate a strategy narrowly focused on that problem than to introduce a program that would create systematic effects across entire campuses.

The FEC would like to raise one final point—many members were surprised to be asked to consider essentially the same program a year after the divisional senates overwhelmingly rejected it. Although we recognize the Senate’s role is advisory, we wish to impress upon the President’s office that shared governance calls for serious, responsive, consultation with the Faculty. In light of the substantial opposition voiced to the proposal, we urge the Office of the President not to proceed with this endeavor.

As always, our membership appreciates the consultative process and welcomes the opportunity to opine on important matters like this. You are welcome to contact me at [meranze@history.ucla.edu](mailto:meranze@history.ucla.edu) with questions. Kyle Stewart McJunkin, Academic Administrator, is also available to assist you and he can be reached at (310) 825-3223 or [kmcjunkin@college.ucla.edu](mailto:kmcjunkin@college.ucla.edu).

cc: Jaime Balboa, Chief Administrative Officer, Academic Senate  
Lucy Blackmar, Interim Associate College Dean, College of Letters and Science

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# UCLA MEMORANDUM

College Faculty Executive Committee  
A265 Murphy Hall

November 3, 2011

To: Andrew Leuchter, Chair  
Academic Senate

From: Michael Meranze, Chair   
UCLA College Faculty Executive Committee

Re: **College FEC response to the proposed revision of APM 668 (Negotiated Salary Program)**

Thank you on behalf of the College Faculty Executive Committee for the opportunity to review and opine on the UC Office of the President's proposal to revise Academic Personnel Manual 668 (Negotiated Salary Program). We discussed the proposal over email and at our October 28, 2011 meeting. On October 31, 2011, a formal faculty vote to endorse the comments of this letter was conducted electronically (10 approve, 1 oppose, 2 abstain). In its present form, the FEC membership expressed strong opposition to the proposed policy. The FEC concluded that the policy would not improve underlying problems relating to salary scales and retention while its ramifications could threaten the overall health of the University's core functions. Indeed, there is a risk that the NSP would undermine the shared salary system further and potentially deplete resources from the College.

The following summarizes the FEC's attempts to capture the tone of our discussion:

1. The FEC recognizes the intent of the NSP to address the degradation in the salary scales that has resulted from the failure to maintain competitive salaries as well as the unique challenges faced in retention of some faculty in the Life Sciences. However, the proposal does not address these issues in a helpful and uniform way. Unlike the Health Sciences Compensation Plan (which is a distant model) NSP cannot rely upon a consistent and large non-state funding stream in clinical activities. Moreover, in the Health Sciences clinical funds are shared within a department at least to some extent so that it has the effect of allowing for a common stream of effort and funds. The NSP is the opposite of this system: there is no consistent shared funding stream, nor does it make the process of extra salary more transparent. Under the proposed NSP, negotiations are essentially private between faculty, chairs and deans. Unlike departmental pooling, this proposal would in fact simply institutionalize divisions within departments.
2. The NSP proposes to provide a means for individual faculty members, who have access to non-state funds, to lock in a salary boost negotiated in 1-2 year intervals. The proposal assumes that these funds come from external grants, endowments, self-supporting programs, consulting; however, the FEC believes there may be legal questions about the use of these funding sources. Even according to the materials provided by UCOP, it is clear that the possibility of using grant funding depends greatly on the funding agency. Thus, access

to the NSP will depend not only on obtaining grants, but also on the type of agency providing the funds. The arbitrary nature of who can participate may very well increase the inequities among faculty.

3. The committee was also deeply concerned about the funding source for the salary boost and for the NSP “insurance funds.” One of the proposed benefits of the proposal would be to allow the negotiated salary to be used as a basis for the calculations of summer ninths. A second is that faculty would be guaranteed their salary boost even if their external funding source disappears. Both threaten to divert core funding into supporting the NSP.
4. If negotiated salary is used as a basis for the calculations of summer ninths, an increase in the cost of summer ninths could lead to the use of core state funding to ensure the contracted obligations. Although the proposal suggests that an “insurance fund” would be created from a “tax” on those participating, there is no guarantee that this would prove sufficient or that funds would only come from this source. Instead, it remains possible that core state funds could be drawn upon to maintain the NSP.
5. The FEC also has deep concern that the proposal will intensify the pressure on faculty to spend time seeking external grants and further damage the University's overall fiscal situation. As both UCOF and UCOP have admitted, on the level of the university external research is a cost, not a profit center, for the University's budget. The proposal then would, if anything, increase the pressures on the budget and the cross-subsidization that occurs between lower cost and higher cost activities.
6. The FEC also believes that the program treats non-state sources in accord with an outdated sense of how University gains its revenues. In an increasingly tuition driven university the notion of “non-state” funds in the proposal seems dangerously vague and unrealistic. It is no longer the case that grants, contracts, endowments are the largest non-state funds. Instead the largest single funding resource on campus is a non-state revenue source: student tuition. Yet, the NSP would shift the burden of salaries onto professors in such a way that would compel them to engage their time in efforts that would draw them away from their core commitments.
7. The NSP and other initiatives out of UCOP (such as the encouragement of self-supporting programs) raises questions about the relationship between these new activities and core educational tasks as faculty assume more and more responsibility for developing sources of non-state funding. Although the proposal insists that the NSP would not affect the Faculty's traditional responsibilities, it is hard to see how this would actually work in practice. Given that these funds are no longer to replace lost salary (salary that can then be used for other things) the individual faculty member (at least those on grants or engaging in self-supporting extra work) would have to increase their workload dramatically. The proposal says nothing about what might suffer in quality if this happens, nor does it speak about increasing pressure on faculty to participate in these sorts of extra-activities.
8. The proposal then, does not fix the problems in the traditional salary scales and the burden on the University to find ways to raise them as a means of remaining competitive. Instead, it shifts the burden of rectifying problems with the salary scales onto individual faculty. Moreover, the proposal would legitimate the idea that general campus faculty should not operate under one common review process. The NSP runs the risk of diverting funds raised

from the state and tuition onto a limited domain of externally funded activities, and rather than acknowledging the realities of cross-subsidization, the NSP perpetuates an out of date notion of the ways that revenue and costs are actually distributed.

Our membership appreciates the consultative process and welcomes the opportunity to opine on future drafts or responses to the issues highlighted in this letter. In the meantime, you are welcome to contact me at [meranze@history.ucla.edu](mailto:meranze@history.ucla.edu) with questions. Kyle Stewart McJunkin, Academic Administrator, is also available to assist you and he can be reached at (310) 825-3223 or [kmcjunkin@college.ucla.edu](mailto:kmcjunkin@college.ucla.edu).

cc: Jaime Balboa, Chief Administrative Officer, Academic Senate  
Lucy Blackmar, Assistant Vice Provost, Undergraduate Education Initiatives



Graduate School of Education & Information Studies  
P.O. Box 951521  
Los Angeles, CA 90095-1521

October 31, 2012

Jaime Balboa  
Academic Senate

Dear Jaime:

Thank you for the email today including the letter from Carole Goldberg and note from Linda Sarna. The FEC of GSEIS remains opposed to the Negotiated Salary Program Pilot Plan. Below is our rationale.

The faculty of GSEIS held an All Academic Personnel meeting last spring to discuss the Negotiated Salary Program. We had the following thoughts:

- The plan was unanimously rejected without reservations or qualifications. While the faculty recognize that the Health Sciences and Medical faculty may need to have a Negotiated Salary Program to meet their needs, the extension of such a plan to GSEIS would have a negative impact on the culture, operations, and with regard to faculty governance.
- We saw no evidence anywhere in the Plan that the concept of the “Common Good” would be part of considerations for the ways in which revenue allocated to salaries under a Negotiated Plan. Quite the contrary, a “rich get richer” entrepreneurial culture would be encouraged. If this Plan were to go ahead, some provision for returning a percentage of additional revenues to support School programs and infrastructure seems essential.
- The burden of supervision on Chairs was deemed excessive, since monitoring the Plan each year and taking care of accounting and review procedures adds another layer of extra administrative work. In particular, being sure that recipients of Negotiated Salary agreements continue to meet their service and teaching responsibilities would be particularly irksome.
- This plan would appear to increase the role of department chairs in determining the quality of faculty performance and relegate review by faculty peers to a secondary role, if only because it occurs only half (or a third) as often. This is particularly worrisome as the administration seems to be moving relentlessly toward implementing a massive, searchable database of data about individual faculty members (Opus) that is specifically being tailored to the demands of

- administrators who want more, and more granular, information, available on a 24-7 basis, about individuals to support their assessments of individual faculty performance. Together these two management tools, Opus and the NSP, could effectively undermine or even sideline meaningful peer evaluation of faculty, which is the fundamental principle of faculty governance.
- The NSP would also exacerbate one of the oldest salary equity problems in universities, so-called "salary compression" -- that is, a cohort problem in which those hired earlier, at lower salaries, never advance fast enough up the salary scale to reach equity with younger scholars hired more recently, creating enduring gaps in pay scales that get worse and more intractable over time.

All in all, we saw no benefit whatsoever to GSEIS and saw many negatives. We are therefore not only opposed to seeing the Pilot Plan implemented, but seriously disturbed that the recommendation of the Academic Senate seems to have been put aside in spite of consensus against the Plan.

Other concerns were raised at the CFC. These included:

- A concern that the terms of assessment for the Pilot Plan have not been well considered and that assessment will be self-selecting, focused on those participants who were successful, and that the broader impacts on non-participants will not be taken into account.
- A concern that the time frame of three years is inadequate to gauge the full impact of what we perceive to be structural inequities that will emerge as a result.

A handwritten signature in black ink, appearing to read "Johanna Drucker". The signature is fluid and cursive, with a large initial "J" and "D".

Johanna Drucker  
Martin and Bernard Breslauer Professor of Bibliographical Studies

**From:** Laub, Alan

**Sent:** Friday, November 02, 2012 3:56 PM

**To:** Balboa, Jaime

**Subject:** Senate Item for Review: Negotiated Salary Pilot Plan for UCLA, UCI, and UCSD

Dear Jaime,

I am responding to your call for comments on the Negotiated Salary Pilot Plan.

The HSSEAS FEC is not in favor of such a plan. While it may look appealing on the surface, it essentially goes counter to what is thought of as the general compensation plan of the University of California. It is a clear case of "the rich get richer" while "the poor get poorer." The University's strength lies in its ability to move all faculty forward in lock step, subject to very few exceptions. The proposed plan allows those with access to external funds to pay themselves more salary. No account seems to have been paid to those for whom access to such funds is not available. It will create at least two distinct classes of faculty and is bad for morale. Instead, we feel it would be better to continue to seek ways to adjust the salaries of all faculty. Moreover, mechanisms are already in place to implement such a policy whereas the amount of extra work involved for the proposed plan is excessive.

Best,

Alan Laub, Chair of the HSSEAS FEC

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700 Tiverton Ave.  
Factor Building  
Box 951702  
Los Angeles, CA 90095-1702

November 4, 2012

Linda Sarna □ Chair, Chair, UCLA Academic Senate

**Re: Negotiated Salary Pilot Plan**

Dear Linda,

Thank you for the opportunity to opine upon the review of the proposed UC Negotiated Salary Pilot Plan. I have shared the proposal with the School of Nursing Faculty Executive Committee and the Faculty. The School of Nursing supports the recommendation that was outlined in the Negotiated Salary plan for the general campus task force report. While we have no desire to participate in the negotiated salary plan pilot program, we have no objections to UCLA's participation in such a pilot program. Further, we have no objections to other UCLA units participating in the pilot program.

Thank you again for the opportunity to review and opine on this matter. Please do not hesitate to contact me if clarification or elaboration is required.

Sincerely,



Barbara Bates-Jensen  
Faculty Executive Chair, School of Nursing

To Linda Sarna, Chair, UCLA Academic Senate

From Mark A. Peterson, Chair, Luskin School of Public Affairs FEC

Concerning the Proposed General Campus Negotiated Salary Trial Program

November 1, 2012

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The Faculty Executive Committee of the Luskin School of Public Affairs has reviewed the proposed "General Campus Negotiated Salary Trial Program." In this opine, we are not commenting on the merits of the negotiated salary idea itself, which we leave to the ample campus assessments conducted in response to the previous incarnation. Rather, given our collective professional expertise in program design and evaluation, we wish to comment on core features of the Trial design, and the "comprehensive three-year review" to "assess whether the Trial Program has helped UC meet University goals effectively."

We appreciate the objectives of launching a pilot initiative. The proposed Trial has the potential to yield useful information about the how a Negotiated Salary Program might operate if it were adopted permanently system-wide. Based on the information we were provided for review, the design of the Pilot seems sensible for meeting some objectives, but perhaps not all. We have concerns about two significant issues that the Pilot as conceived, even if well implemented, is unlikely to be able inform. One has to do with the four-year duration of the initiative. A relatively short-term Pilot cannot answer important questions about what the mid- and long-term effects of adopting the Negotiated Salary Program broadly would be on campus norms and perceptions. The second concern has to do with the scope of the "intervention," which is limited to three UC campuses and does not have a systemic mechanism, beyond voluntary action, for determining which units, schools, and departments will participate. Assuming the Trial goes forward, when the results are evaluated the Academic Senate must take care that questions that were difficult—or impossible—to study in the Pilot receive adequate attention in the decision about whether to move forward with the NSP at the end of the study period.

Of particular concern to us is how adoption of NSP system-wide might change norms and expectations about the role of University versus outside funds in recruitment and retention—and how such changes could affect not only recruitment and retention, but also teaching, faculty and student morale, and perceptions of equity across campuses and units. Recruiting and retaining first-rate faculty is considered a core function of the University, to be financed primarily with University funds. NSP adoption would represent an admission that the University does not always have the resources required to compete for the best faculty. This is a pragmatic consideration (and in some sense not entirely new), but we do run the risk that the Plan could further erode the expectation that it is the responsibility of the University, and not outside

fundraising, to put together the resources necessary to maintain a first-rate faculty. A shift in the norm/expectation such that units or departments are expected to raise private funds to finance their most productive faculty as a matter of course would represent a fundamental change to the nature of faculty recruitment and retention, and could have far-ranging effects. While the possibility of enhancing one's compensation through NSP might make UC more attractive to some potential faculty, the notion that the only way to make a competitive salary in the UC system is to pull together outside funding might deter others. Such a change would clearly have uneven effects across the campuses in the UC system and across units and departments within each campus, because some are far more able than others to raise outside funds for this purpose. Such a program may assist the recruitment or retention of top flight faculty in, say, the physical sciences and the law school, but prove detrimental in the humanities and some social sciences.

Thus we are left with a rather profound question: If adopted system-wide, would NSP substantially change norms about how the core functions of recruitment and retention are financed, with the risk of adverse affects, or would it operate as a small, add-on program affecting only a few star faculty? What would be the effects of such a change on support for non-participating faculty compensation, recruitment and retention, morale, and equity? We do not currently know the answers to these questions, and, given the duration and scope of this pilot initiative, the "comprehensive three year review" of the Trial necessarily will be unable to answer them.

Another challenge of this Pilot, like all others, is to penetrate a system, institution, or culture at the level necessary to mimic the effects that would occur should the intervention be adopted permanently and system-wide. The number, range, and character of the units participating in the Trial may not be sufficient to create recognizable and measurable impacts on perceptions and actions on the campuses beyond the immediate issue of whether individual faculty members stay at the UC or accept offers of appointment when recruited.

We should emphasize, too, that in addition to being unable to capture all the potential long-term costs of the NSP, the comprehensive review of the Trial may also miss some of the long-term benefits. For example, the data collected on recruitment and retentions will be only for those who participated. If, however, the NSP enhances the expectation that UC is a place where productive faculty can be well-compensated during their careers, the program could make UC more attractive to younger faculty even if they do not expect to participate in NSP for some years to come. The data from the Pilot are unlikely to be able to capture such effects even in the short run, much less the long run.

We want to reiterate that we are not taking a formal position for or against a negotiated salary plan, or in favor or opposition to conducting the Trial and collecting what could be quite useful data before further considering adding NSP to APM system-wide. We do wish to emphasize the limitations of this (and any) short-term and confined-scope pilot program in answering key questions about the long-term effects of the program on the University community. We urge the Academic Senate to give these issues due consideration despite the inevitable lack of concrete answers to these questions based on hard data.



**UCLA SCHOOL OF THEATER, FILM, AND TELEVISION**

**FACULTY EXECUTIVE COMMITTEE**

S.I. Salamensky, Chair (ss@tft.ucla.edu)

**REPORT TO THE ACADEMIC SENATE, NOVEMBER 9, 2012:**

Proposal Paper: Negotiated Salary Pilot Plan for UCLA, UCI, and UCSD

*Response:* We strongly oppose this initiative in its current state. While salary increases are much-needed, and external supplements to salary may, in some quarters, incentivize innovation, this initiative would: a) favor departments and schools better-positioned to attract external funding through economically viable 'products,' such as the sciences, marginalizing those lesser-positioned to do so, such as the humanities and arts; b) further salary inequities between individuals, departments, and schools within the university rather than improve faculty welfare, morale, and retention overall; c) reinforce harmful notions of the power of free enterprise to fix state problems; d) disincentivize state contributions to raise salaries across the board; and e) unduly concentrate power and resources in the hands of individual deans and chairs, with no peer review system. *Our endorsement of this initiative would be contingent upon the creation of a university pool of external salary resources for which any faculty member in any department or division may apply, via a peer review system.*



CHAIR, ACADEMIC SENATE  
RIVERSIDE DIVISION  
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November 26, 2012

Robert Powell, Chair, Academic Council  
1111 Franklin Street, 12th Floor  
Oakland, CA 94607-5200

Dear Bob:

**RE: Report from Task Force on a negotiated salary plan for the general campus**

The Executive Council discussed the negotiated salary plan during its November 26 meeting. The plan was also discussed by the Committee on Academic Personnel, Committee on Diversity and Equal Opportunity, Committee on Planning and Budget, Committee on Rules & Jurisdiction, and the Faculty Welfare Committee. Though these groups recognize the type of problems this trial program is trying to address, they all expressed concerns about the plan; there was no instance of strong support for it.

The main issue with the plan was its potential for creating discipline-specific inequalities among faculty, especially for those areas where extramural funding does not cover salary. Such differentiation will affect faculty morale negatively at a time when this is already a problem in the UC.

A second issue was the lack of clear measures to determine the success or failure of the program, and justification that a 4 year plan was sufficient for reaching a conclusion; certain trends, such as gradual refocusing of faculty efforts into research based on whether they can lead to this type of salary benefits, may require longer trial periods. There was also a concern that no data on diversity will apparently be collected.

The lack of Senate supervision was also of concern: even though CAP is involved in the process its role is apparently restricted to either rubber-stamping the plan constructed by the faculty member and the administration, or simply being notified of it having been adopted (lacking a third alternative, UCR would prefer the second option). There was also general skepticism that this plan can be useful as a retention tool.

Sincerely yours,

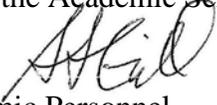
Jose Wudka  
Professor of Physics & Astronomy and Chair of the Riverside Division

CC: Martha Kendall Winnacker, Executive Director of the Academic Senate  
Cynthia Palmer, Director of UCR Academic Senate office

**UCRIVERSIDE** UNIVERSITY OF CALIFORNIA | **Academic Senate**  
**COMMITTEE ON ACADEMIC PERSONNEL**

October 16, 2012

To: Jose Wudka, Chair  
Riverside Division of the Academic Senate

From: Sarjeet Gill, Chair   
Committee on Academic Personnel

**Re: Report from Taskforce on a negotiated salary plan for the general campus**

CAP has carefully reviewed the Task Force's proposal concerning APM-668 and reaffirms its earlier support for this initiative (+9-0-0). Although this will benefit some units and faculty more than others, i.e., those who have access to outside funding, we see no reason to object. We do not feel, however, that CAP needs to or even should be in the position to approve or disapprove these arrangements. Neither should it be a rubber stamp. We believe that Option B is preferable, whereby CAP will receive a report of all such actions from the EVC. UCR CAP is not involved in salary negotiations and does not care to change that policy.



November 9, 2012

TO: Jose Wudka, Chair  
Riverside Division

FROM: Byron Adams, Chair  
CODEO

Re: Report from Taskforce on The Negotiated Salary Plan

CODEO responded to these documents with an appropriately diverse range of opinions. Counteracting the criticisms voiced in other contexts, one member suggested, "I don't think there would be problem of 'eroding the University's position as an independent institution in this state' nor this would affect the research conclusions of those faculty. I believe the research of some faculty is already (partially) funded by non-state funds. I have to trust their scholarly ethics. I believe they chose the academic jobs (over the possibly much higher pay industrial jobs) because they like the academic freedom. It's great that we have their interaction with our students/faculty. I also think their connection with the industry may help students getting jobs after they graduate." Another pointed out, "The Negotiated Salary Plan was discussed by last year's CODEO and as I recall, we raised concerns about the impact on recruitment and retention of diverse faculty." Another member of the committee reiterated these concerns.

The committee noted, however, that the current Negotiated Salary Plan does say that demographic data will be collected and analyzed from the pilot program, so there will be some data to address this concern after the trial period. When this data becomes available, CODEO will reexamine this issue using these figures.

 UNIVERSITY OF CALIFORNIA  
**UC RIVERSIDE** | **Academic Senate**  
**Committee on Faculty Welfare**

November 8, 2012

To: Jose Wudka  
Chair, Riverside Division Academic Senate

From: Irving G. Hendrick  
Chair, Committee on Faculty Welfare

Re: Report from Taskforce on a negotiated salary plan for the general campus

As the file will show, last year our Divisional Committee on Faculty Welfare opposed the Negotiated Salary Plan for general campuses, believing that further deviations from the University's already highly differentiated salary policy was not in the best interest of faculty generally.

Notwithstanding our previous comments from 2011-12, we understand that the matter before us now involves the efficacy of the new policy as it moves into a four year pilot period of implementation on three campuses, not including Riverside. Much of the Pilot Project document focuses on program administration. By its very nature there are numerous opportunities for the policy to be implemented in diverse ways, not only between the three campuses, but from department to department and college to college (or school/division) on the same campus.

Success of the program is to be evaluated as described under **Section B** of the report. Almost certainly some administrative forms of implementation will be better than others. Program success needs to be determined by how well the program serves participants, as measured by such things as success in faculty recruitment and retention, faculty satisfaction, and scholarly productivity. Equally important will be the credible measurement of the program's impact on the morale of colleagues who are not able to participate, not because they are less meritorious, but because they do not have access to external funding sources which sanction expenditures on salary in this form. Additionally, we urge that careful attention be given to the potential for creating or exaggerating gender, racial and ethnic inequities among faculty. Because so much is at stake for the University and its faculty, we urge as well that great care be given to the selection of the most well qualified program evaluators, who in turn will undertake their work by producing a highly credible evaluation design.



November 26, 2012

To: Jose Wudka  
Chair, Riverside Division Academic Senate

Fr: Jan Blacher  
Chair, Committee on Planning and Budget

**Re: Report from Taskforce on a negotiated salary plan for the general campus**

The UCR P & B Committee had no real objection to the Negotiated Salary Plan (NSP), except that a “trial” seems like a method used to get around an unpopular idea. While the pilot program is of no cost to us, the trial, as currently proposed, rests to a certain extent on good oversight. How will the NSP be monitored? How will we learn about any inequities that occur **during** the trial period?

P & B notes that although one rationale is that the NSP offers better options for hiring packages to new faculty, the APM currently already suggests a process for approval of salary augmentation.

Clearly, the full ramifications of the NSP have not been worked out, and we hope that these concerns are built into the process for reviewing the pilot data.

**UC RIVERSIDE** UNIVERSITY OF CALIFORNIA | **Academic Senate**  
**COMMITTEE ON RULES AND JURISDICTION**

November 8, 2012

To: Jose Wudka, Chair  
Riverside Division Academic Senate

From: Ziv Ran, Chair  
Committee on Rules and Jurisdiction

**Re: Report from Taskforce on a negotiated salary plan for the general campus**

Concern was expressed that the negotiated salary plan could erode the University's position as an independent institution in this state. For, given the constraints of human nature, a professor whose salary is paid in whole or part by an external entity is less likely to undertake research or scholarly work, and less likely to reach conclusions, that may be of no interest, much less unfavorable, to the entity in question. Furthermore, these effects are likely to occur only gradually over time, and may not be apparent at the conclusion of the contemplated test period.



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Kum-Kum Bhavnani, Chair  
Deborah Karoff, Executive Director

November 15, 2012

Robert Powell, Chair  
Academic Senate

Re: Negotiated Salary Plan Pilot

Dear Bob,

The following Councils at UCSB reviewed the Negotiated Salary Plan Pilot: Council on Planning and Budget (CPB), Council on Faculty Issues and Awards (CFIA), Graduate Council (GC), Council on Research and Instructional Resources (CRIR), and the Committee on Academic Personnel (CAP). These same groups reviewed the Proposed APM 668 last year and are therefore familiar with the basic principles of the plan.

The Santa Barbara Division continues not to support or endorse the Negotiated Salary Plan Pilot in spite of the proposed changes in the proposal. The Division is disheartened by the emergence of this latest proposal; last year, our objections were to the fundamental principles in the proposed model, and those objections continue to stand.

The responses from all reviewing groups echoed the responses from last year's review. The major concerns expressed are that the Negotiated Salary Plan will have the following negative impact(s):

#### **Creating or Increasing Inequities among the Faculty**

The NSP will likely increase inequities in faculty compensation because it is based on individual faculty procuring external support that is not consistently accessible. Some external funding agencies will permit NSP participation, others will not, and the end result would be unequal pay for what may appear to be very similar workload and accomplishment. Councils wondered if the NSP would also exacerbate salary inequities between "grant-rich" and "grant poor" disciplines, because it offers no substantial mechanism for sharing the benefits of participation across the faculty in general.

#### **Undermining UC's Merit-Based Review Process**

The NSP proposes to reward faculty for individually-oriented entrepreneurial efforts that do not necessarily contribute substantially to the expectations to which UC faculty are held. This plan, as noted by CPB and other Councils and Committees, jeopardizes the transparency and threatens the meritocracy of the UC merit and promotion processes. Put another way, it is not clear what exactly participating faculty would be contributing to the institution, above and beyond their normal duties, to justify a salary augmentation.

#### **Displacing Regular Duties**

Divisional council and committees wondered if faculty who put more time into procuring external support for their individual benefit could, therefore, spend less time on teaching and other activities, including time spent on fundraising that benefits graduate students, programs and other UC constituencies

### **Altering UC's Academic Culture**

Implementation of the NSP could have a strong impact on the academic culture of the university. CFIA states that they are wary "of a program that would further push faculty toward a budget model whereby we are encouraged (or even required) to raise part of our salaries from external sources."

### **Impacts on Retentions**

Given the strong prospect that the NSP will increase inequities among the faculty, it is not likely to meet its goal of reducing faculty retentions and separations. In fact, CAP notes that, the NSP may well lead to more difficulties maintaining and recruiting faculty committed to the institution.

### **Impacts on Graduate Funding**

Because faculty will inevitably have to prioritize where they focus their time, the NSP will likely encourage a shift away from fundraising for graduate students and, as noted by Graduate Council, these effects could undermine a crucial aspect of UC's research and teaching infrastructure. Graduate Council states that "Given rising student fees and the already striking lack of competitiveness in UC support packages, we must do all that we can to preserve current levels of support."

### **Lack of Transparency**

The issue of transparency is of concern to CPB and they request that there be "full disclosure of the supplemental salaries, and that salary supplements be subject to approval by faculty votes (not just an agreement with the Dean / department chair)."

### **Creating or Increasing Inequities across UC Campuses**

All Divisional responses noted, in one way or another, that a common system for compensating academic personnel is central to the unity of the University of California. The adoption of NSPs on some campuses but not others, even as a pilot, threatens this unity.

Finally, although including an assessment plan is commendable; several groups expressed concerns about the lack of specificity in the assessment and evaluation process. For example, Graduate Council states, "Graduate Council was dismayed to learn that the proposal did not contain detailed metrics by which the success of the pilot program, if launched, would be judged". This is echoed by CPB : "it is unclear ... what data will be collected and by what criteria the program will be evaluated. Exactly how will we know if the program is successful? What mechanism is there for discontinuing the program if the trial is deemed unsuccessful? Additionally, CPB is wary of potential long-term effects that may not be obvious during the trial period which may merit additional monitoring should the program continue."

In sum, the UCSB Division is strongly opposed to this proposal, including the development of any pilot programs.

Thank you for the opportunity to comment.

Sincerely,



Kum-Kum Bhavnani, Chair  
Santa Barbara Division



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SANTA CRUZ DIVISION  
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(831) 459 - 2086

November 15, 2012

Robert Powell, Chair  
Academic Council

**Re: Systemwide Negotiated Salary Proposed Pilot Plan**

Dear Bob,

The UC Santa Cruz Division has reviewed the Negotiated Salary Proposed Pilot Plan. Our Committees on Affirmative Action and Diversity (CAAD), Academic Personnel (CAP), Emeriti Relations (CER), Faculty Welfare (CFW), Research (COR), Planning and Budget (CPB), and Privilege and Tenure (P&T) have raised several serious concerns.

The core concern of the Negotiated Salary Proposed Pilot Plan is that it undermines the system-wide base salary scale and the key principle that the compensation of faculty should be based on a review of merit and performance, not on the access to funds associated with one's discipline. By subverting the single salary scale and bypassing standard Committee on Academic Personnel (CAP) practices (as in Option B), the Negotiated Salary Pilot Plan interferes with the University's commitment to salary equity across the campuses and among different academic disciplines. In addition, because the Negotiated Salary Pilot Plan is most relevant to faculty in STEM fields, it may also exacerbate salary inequities based on gender and race/ethnicity since those fields are markedly less diverse than other disciplines in the Humanities, Social Sciences, and Arts.

If the pilot plan moves forward, UCSC recommends that Option B be eliminated from the plan and that campuses be required to adopt Option A. Option A is the only avenue for any level of Senate involvement with respect to salary negotiations and could provide CAP with sufficient information about the negotiations so that the committee can offer insightful critique of the pilot plan during annual programmatic reviews.

UCSC is concerned not only that the possibility of "additional salary" may influence the types of research that is conducted on UC campuses, but that negotiated salary may reduce the resources currently being used to support graduate students, research assistants, postdocs, and research itself. Further, the proposal did not just apply to funds generated by external grants and gifts. The principles could also be applied to revenue generated by "self-supporting programs" where funds raised through professional fees are funneled back into the department and could be used to augment faculty salaries. UCSC determined that this could potentially, over time, lower the

motivation of the administration to maintain appropriate base salaries and disproportionately affect the allocation of faculty FTE due to the ability of some faculty to fund substantial amounts of their own salary.

Although there is mention that the effectiveness of the program will be assessed, the Negotiated Salary Pilot Plan does not articulate the criteria by which it will be deemed successful. As such, it is hard to imagine how the program, once instituted, could ever be withdrawn if the costs prove to outweigh the benefits. Further, the concerns raised by the UC Academic Senate when APM-688, Negotiated Salary was originally proposed last year, appear to have been ignored and have not been addressed in the pilot plan. UCSC feels strongly that these concerns should have been addressed prior to the proposal of a pilot program.

The total indirect costs and effects of the Systemwide Negotiated Salary Proposed Pilot Plan are unknown. However, the very essence of the pilot represents too great a shift in faculty priorities, hiring, and compensation practices, with too many associated potential risks. As such, the UC Santa Cruz Division does not support the Systemwide Negotiated Salary Proposed Pilot Plan.

Sincerely,

A handwritten signature in black ink, reading "Joseph P. Konopelski". The signature is fluid and cursive, with a large initial "J" and "K".

Joseph P. Konopelski, Chair  
Academic Senate  
Santa Cruz Division



OFFICE OF THE ACADEMIC SENATE

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November 14, 2012

Professor Robert Powell  
Chair, Academic Council  
University of California  
1111 Franklin Street, 12<sup>th</sup> Floor  
Oakland, California 94607-5200

Subject: Negotiated Salary Trial Plan

Dear Bob,

The Negotiated Salary Trial Plan (NSP) was sent to the appropriate Divisional committees for comment; the Senate Council discussed the proposal on November 5, 2012. Reviewers continue to be generally supportive of the proposed trial plan, while expressing concerns similar to those raised last year. Council members emphasized that effective monitoring of the Trial Plan will be key to assessing its success.

Reviewers noted that the proposal includes a certain degree of financial risk to the campus. Careful monitoring of the reserve fund that will be created to guard against potential losses is necessary. Concerns were reiterated that the Trial Plan may create salary inequities among disciplines and among those faculty members who are able participate and those who are not. The Negotiated Salary Trial Plan should not negatively affect the incomes of, or resources available to, non-participating members.

Reviewers remain concerned by the possible impacts the NSP could have on the allocation of effort of faculty members. Would the NSP allow faculty to redirect grant support that would previously have been used for the support of graduate students or postdoctoral fellows? Would the motivation to acquire external funding result in a lower commitment to teaching and service activities by participating members? Again, careful monitoring of the effects of the NSP on graduate and undergraduate education during the Trial period will be important.

Reviewers expressed an additional concern. If allowed by funding source, faculty members could teach during the summer and then reallocate the portion of their grant that would have gone to summer salary to the negotiated component. Because the negotiated component counts toward calculation of summer teaching salary, summer teaching salaries for Trial Plan participants would be as much as 30% higher than now, and that extra 30% of summer teaching salary would presumably come out of University funds. Some reviewers questioned why the proposal could not be restated to preclude this increased cost to the University.

The San Diego Division has already reviewed a campus plan to be implemented should the Trial Plan be put in place. More discussion with our campus administration needs to take place, however, to identify what monitoring will occur and to clearly define measures of success. The Division would appreciate input from the Council on these two aspects.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Guy Masters".

T. Guy Masters, Chair  
Academic Senate, San Diego Divisioncc: Divisional Vice Chair Pogliano  
Executive Director Winnacker

UNIVERSITY OF CALIFORNIA, ACADEMIC SENATE

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COORDINATING COMMITTEE ON GRADUATE AFFAIRS (CCGA)

Ruth Mulnard, Chair

[ramulnar@uci.edu](mailto:ramulnar@uci.edu)

ACADEMIC SENATE

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November 15, 2012

**ROBERT POWELL**  
**ACADEMIC COUNCIL CHAIR**

RE: Negotiated Salary Plan Trial Program

Dear Bob:

At its November meeting, the Coordinating Committee on Graduate Affairs (CCGA) discussed the Proposed Trial Program for the Negotiated Salary Plan to be implemented at UCLA, UCI and UCSD, pending approval and agreement between the Divisional Senate and administration on those campuses. CCGA generally concurs with some (though not all) of the concerns that were raised by the various reviewing agencies during the Systemwide review of the previously proposed APM-668. The committee is particularly disappointed however with the task force report's lack of any requisite measures to mitigate and monitor the many concerns that were raised. In view of those omissions, CCGA members strongly recommended that extensive data and metrics be tabulated progressively during the four-year trial period. At such time the data becomes available, CCGA respectfully requests that it be afforded the opportunity to independently review and access this information particularly with regard to the impact of the general campus negotiated salary trial program on graduate student research funding support and faculty retention.

Please do not hesitate to contact me if you have any questions.

Sincerely,

Ruth A. Mulnard, DNSc, RN, CNRN, CIP, FAAN  
Chair, CCGA

Copy: Martha Winnacker, Academic Senate Executive Director  
CCGA Members  
Clare Sheridan, Academic Council Analyst



UNIVERSITY COMMITTEE ON AFFIRMATIVE ACTION AND DIVERSITY (UCAAD)

Manuela Martins-Green

[manuela.martins@ucr.edu](mailto:manuela.martins@ucr.edu)

ACADEMIC SENATE

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November 13, 2012

**ROBERT POWELL**  
**ACADEMIC COUNCIL CHAIR**

RE: Negotiated Salary Plan Trial Program

Dear Bob:

The University Committee on Affirmative Action and Diversity (UCAAD) has considered the Proposed Trial Program for the Negotiated Salary Plan. We understand that, if approved, this trial program will be implemented at UCLA, UCI and UCSD, pending agreement between the Senate and Administration on those campuses. We are pleased to forward the following comments from our November 2nd discussion:

- The current wording of the trial program for the Negotiated Salary Plan specifies that a candidate must have received a positive result in the last merit/promotion and must have appropriate funds available. Use of those funds cannot interfere with normal teaching, research and service activities. However, some members of our committee are concerned that the plan is not explicit about the basis by which a department Chair or Dean decides to endorse or not to endorse a proposal; this omission leaves open room for potential bias to occur in evaluating individual faculty proposals. A case in point is the current use of off-scale faculty salaries. The current system has been very uneven, arbitrary and subject to many of the factors from which systematic inequities can emerge: propensity to negotiate, negotiating skills, eliciting competing offers from other universities, and so forth. As such, aspects of the Trial Negotiated Salary Plan suggest that those engaging in activities that generate a great deal of revenue (e.g., clinical activities and research grants) are rewarded, while those who do not are not rewarded. Rewards should be based on excellence of performance and not on revenue generation because the latter does not necessarily correlate with academic excellence.
- A positive outcome of a similar plan at UCLA's School of Public Health, where a program of "delta requests" that is similar to the Trial Negotiated Salary Plan has been in place since 1998, is encouraging. In this program, participating faculty members (supported by 19900 funds) have an opportunity to increase the total negotiated salary over and above the base, providing more competitive UC salaries and incentives for pursuing extramural funding. In addition, in this program, under-represented minorities do not appear to have been disadvantaged.
- At UC Merced, the proposed policy was viewed by most faculty members as a promising mechanism for retaining faculty and addressing high turn-over rates on that campus.

- With regard to the program's retention potential, it was pointed out that this may not be an ideal vehicle for faculty retention. For instance, while the program might make for happier faculty members who are less likely to seek out other job opportunities, it is not clear (under the provisions of the trial program) how using funds generated by a faculty member to augment his or her base salary would be an effective retention tool, particularly if that individual is weighing other job offers.
- If approved, implementation plans should instruct units to sufficiently consider the issue of equity at all junctures in the salary review process and explicitly inform all eligible faculty members of the policy.

Sincerely,



Manuela Martins-Green, Ph.D.  
Chair, UCAAD

Copy: Martha Winnacker, Academic Senate Executive Director  
UCAAD Members  
Clare Sheridan, Senior Policy Analyst



UNIVERSITY COMMITTEE ON ACADEMIC PERSONNEL (UCAP)  
Harry Green, Chair  
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November 6, 2012

BOB POWELL, CHAIR  
ACADEMIC COUNCIL

**RE: NEGOTIATED SALARY PLAN**

Dear Bob,

UCAP discussed the negotiated salary plan during its October 23<sup>rd</sup> meeting, and overall committee members are very critical of the trial program. The committee is extremely concerned that the trial of the plan as described will fail to address the problems with proposed APM 668 delineated in UCAP's October 2011 memo and Council's December 2011 memo. The committee has the following major objections.

The June 15<sup>th</sup> cover letter from the Task Force states that this task force was convened after systemwide review of proposed APM 668 generated a mixed response to the possibility of a negotiated salary plan for the general campus. UCAP believes that this description is inaccurate and that the Senate's response to APM 668 was in fact overwhelmingly negative, and not mixed as described.

Second, UCOP has not collected data to determine if there is a pressing recruitment and retention issue, relying instead on anecdotal information. Connected to this is the report's lack of clarity regarding how the success or failure of this program will be judged. UCAP suggests that there be a measure of productivity before participating faculty receive the extra funds as well as after. The committee is concerned about the absence of a plan to collect data about the impact on teaching load.

Finally, UCAP continues to have concerns about the impact the negotiated salary plan would likely have on the CAPs' workloads. The proposed annual review with a two week turnaround time is problematic. In addition, faculty may routinely appeal their eligibility for the negotiated salary plan which will also create work for CAPs.

Some UCAP members expressed concern about use of funds that do not carry full overhead as a source for salary augmentation. Others argued that at the margin additional costs are unlikely to occur because more work is not occurring, just more remuneration. However, if it were generally not a problem, why does UC charge overhead on summer salary received on grants? Clearly there is a cost recovery involved or UC would not do so. That being the case, in situations where funds carrying little or no overhead are used for salary augmentation, there would appear to be a UC subsidy of salary augmentation for the few that must come from funds diverted from elsewhere in the budget.

UCAP strongly recommends and expects that the trial will address all of the objections the committee has raised or it should not be implemented.

Sincerely,

A handwritten signature in blue ink, appearing to read "Harry Green". The signature is fluid and cursive, with a long horizontal stroke at the end.

Harry Green, Chair  
UCAP



UNIVERSITY COMMITTEE ON FACULTY WELFARE (UCFW)  
J. Daniel Hare, Chair  
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November 16, 2012

**ROBERT POWELL, CHAIR  
ACADEMIC COUNCIL**

**RE: Trial Negotiated Salary Plan**

Dear Bob,

The Division representatives to UCFW can provide little if any support for the Trial Negotiated Salary Program (hereinafter Trial NSP). Most noted the similarities of the Trial NSP to APM 668 and concluded that the NSP did not address the majority of the critical issues raised by UCFW and Academic Council in their earlier reviews of APM 668. Although members noted the efforts to collect data on some of the concerns raised during the review of APM 668, such as a shift in funds from graduate student support to salary for the PI and diminished teaching loads, most members found that the Trial NSP failed to address the major cultural and philosophical issues raised in the response of the Academic Council to APM 668.

The Council's first point was that APM 668 would undermine the Senate's role in UC's merit-based peer review process. The current members of UCFW see this as a fundamental problem in the Trial NSP as well. The determination of salary becomes the result of a negotiation between the administration and the faculty member based largely upon the availability of the faculty member to generate the necessary funding. This will undermine the role of campus CAPs and the principle of peer review with respect to rank/step/salary. While campuses have some differences in the ways in which CAPs are utilized, all rely on them to ensure that salary is not a function of a "separate deal," uncoupled from a review of overall performance.

Secondly, Academic Council warned that APM 668 would create and further exacerbate salary inequities among disciplines and research focus areas, and across campuses. Council also had warned that it may worsen gender and racial salary equity issues and would reward only some form of faculty effort and accomplishment. UCFW notes that the Trial NSP does not substantially address this issue. Some areas of research are more lucrative than others and apparently are more "worthy" of additional compensation than others for odd reasons. Even within the life sciences, those who conduct research on the vectors of human diseases have access to the more lucrative NIH grants than colleagues who might use nearly identical techniques but are limited to far smaller USDA and commodity grants to study the vectors of diseases of plants that humans eat. The potential to exacerbate such inequities

seems endemic in the Trial NSP because it is up to the faculty member to raise the funds for his/her additional compensation.

Academic Council also warned against conflicts of interest and/or effort. Council was concerned that APM 668 could provide incentives for faculty to shift their research to more lucrative areas at the expense of necessary and valuable research in other areas. APM 668 could also divert funds from graduate student support and faculty effort from teaching. The trial NSP does specify that faculty members are expected to meet their teaching, research and service obligations, but it does not specify that these obligations cannot be reduced during the period when a faculty member is drawing additional salary.

Additional APM 668 issues raised by Council that are shared with the trial NSP include: 1) the temporary nature of the salary increase, 2) the implicit expectation that faculty now become responsible for generating their salaries, and 3) the need for and functioning of the contingency fund. Unlike the Health Sciences Compensation Plan, in which funds are shared among those who raise them to cover contingencies, there should be no need for a contingency fund for the trial NSP: Faculty members either have the funds to pay themselves, or they do not. The individualistic nature of the PI determining the 'negotiated' part of his or her salary from his or her research funds suggests that there should be no need to provide back-up funds as a contingency.

Although UCFW members noted the effort to collect data and survey participating and non-participating faculty at the beginning and end of the "trial," members also noted that there were no indicia of "success," no suggested measures of negative consequences. There is, as well, no plan to evaluate the data collected. For example, UCFW members wondered if an assessment of the impact of the Trial NSP on departmental morale or sense of shared purpose, so valuable in an academic institution, was even possible. Indeed, a general concern was that the design of the Trial NSP was insufficiently rigorous to be evaluated at all. Finally, the UCFW members were skeptical that the Trial NSP actually could be stopped once started.

UCFW notes that attempts to design a negotiated salary plan for the general campuses date back to 1995. One implication of this statement is that such a plan is long overdue. But UCFW members have also experienced a seriatim shifting of the justifications for APM 668 and its progeny (Trial NSP) over the past year. Until a fully developed and more persuasive reason for such a plan is brought to UCFW, we remain opposed to its implementation. The time that has passed since the early discussions of some form of NSP for non-health science programs may be evidence that the design of an appropriate plan is exceedingly difficult, and the potential consequences exceptionally serious. Solutions to the concerns raised by UCFW and Academic Council may still not be at hand.

Sincerely,



J. Daniel Hare, UCFW Chair

Copy:

UCFW

William Jacob, Academic Council Vice Chair

Martha Winnacker, Executive Director, Academic Senate



UNIVERSITY COMMITTEE ON RESEARCH POLICY (UCORP)  
Mike Kleeman, Chair  
[mjkleeman@ucdavis.edu](mailto:mjkleeman@ucdavis.edu)

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November 13, 2012

**ROBERT POWELL, CHAIR  
ACADEMIC COUNCIL**

**RE: Negotiated Salary Trial Program**

Dear Bob,

The University Committee on Research Policy (UCORP) has met and discussed the proposed Negotiated Salary Trial Program (NSTP). The committee cannot endorse the trial at this time. In addition to outstanding questions and concerns from NSTP's predecessor, the proposed APM 668, this year's membership noted that the proposal included no definition of success or failure. Definitions for success or failure based on the collected data should be agreed upon by the Academic Senate and the Administration prior to the start of the trial. It is difficult to imagine that proponents of NSTP will agree to discontinue the program at the end of the trial without this advance understanding.

As one specific example of this general concern, UCORP members questioned whether meaningful results about the effects of widespread NSTP adoption could be extrapolated from a small set of self-selecting participants in the trial program. UCORP members suggest that enrollment of fewer than 5% of eligible UC faculty in the first year of the NSTP should define one condition for the failure of the trial program.

We urge the Council to request further clarification for the conditions of success or failure of the trial prior to implementation. For your convenience, I enclose the previous UCORP's opinion on draft APM 668.

Thank you for the opportunity to comment on this important topic.

Sincerely,

A handwritten signature in cursive script that reads "Mike Kleeman".

Mike Kleeman, Chair  
UCORP

cc: UCORP  
Martha Winnacker, Executive Director, Systemwide Academic Senate

Encl.



UNIVERSITY COMMITTEE ON RESEARCH POLICY (UCORP)  
John Crawford, Chair  
[john.crawford@uci.edu](mailto:john.crawford@uci.edu)

Assembly of the Academic Senate  
1111 Franklin Street, 12<sup>th</sup> Floor  
Oakland, CA 94607-5200  
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December 2, 2011

**ROBERT ANDERSON, CHAIR  
ACADEMIC COUNCIL**

**RE: Proposed APM 668 (Negotiated Salary Program)**

Dear Bob,

The University Committee on Research Policy (UCORP) has met and discussed the proposed new APM 668 (Negotiated Salary Program). UCORP cannot endorse the proposal at this time due to the need for more information on implementation specifics and on the implications of the philosophy underlying the draft.

Our specific implementation concerns include issues of compliance with restrictions on fund usage imposed by the funding authority (federal agencies vs private donations vs endowments), reductions in ICR due to research funding being diverted to salaries, and diminished funds for graduate student support.

Our philosophical concerns include (further) preferential treatment of one discipline over another based not on academic or research merit, but on the availability of external market funding; the (further) empowerment of deans and chairs vis-à-vis CAPs; reduced transparency and increased perceptions of inequity in salary matters; and encouraging an unsustainable “race to the top” among eligible faculty.

We look forward to receiving more information on this idea.

Sincerely,

A handwritten signature in black ink, appearing to be "John Crawford".

John Crawford, Chair  
UCORP

cc: UCORP  
Martha Winnacker, Executive Director, Systemwide Academic Senate



**UNIVERSITY COMMITTEE ON PLANNING AND BUDGET (UCPB)**

**Jean-Bernard Minster, Chair**

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October 23, 2012

ROBERT POWELL, CHAIR  
ACADEMIC COUNCIL

**Re: Proposed Negotiated Salary Plan Trial Program**

Dear Bob,

The University Committee on Planning and Budget (UCPB) has reviewed the proposal for a negotiated salary plan trial program from the joint Senate-administration Task Force. UCPB finds no reason to change or amend the concerns it expressed last November about the proposed APM 668, summarized below. The Committee would reiterate its opinion of last November but does not object to a trial study.

Our understanding is that the trial program will be available to eligible general campus faculty at Irvine, Los Angeles, and San Diego for a four-year evaluation period. It will allow eligible faculty on these campuses to supplement their income with non-state resources such as grant funds, endowment earnings, and professional degree supplemental tuition. The joint Senate-administration Task Force recommending the pilot was convened after the defeat of APM 668, a similar proposal [reviewed](#) by the Senate last year. Proponents still harbor hope that the plan can address faculty recruitment and retention problems in specific disciplines.

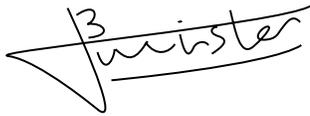
In November 2011, UCPB opposed APM 668, a proposal for implementing a negotiated salary program on all UC campuses. UCPB warned that the policy could slow momentum for fixing the salary scales; exacerbate existing salary inequities and create new inequities by giving one subset of faculty differential access to additional funding; undermine the faculty role in merit and promotion cases while giving additional authority to administrators; lead departments to favor some kinds of research over others; create distinctions among faculty based primarily on their ability to generate revenue rather than on their research and teaching accomplishments; and create incentives for faculty to seek more lucrative grants and choose to pursue certain areas or kinds of research based on higher salary potential.

However, UCPB also agreed that a negotiated salary program could help recruitment and retention problems in specific disciplines such as the biological sciences, and recommended that UC consider a narrower program tailored specifically for faculty in those disciplines. In addition,

UCPB (and the most recent Task Force) supported an effort to produce metrics defining who would benefit from or be affected by a negotiated salary program.

The trial plan proposal does not appear to be substantially different from APM 668, and there has been no subsequent study. However, UCPB agrees with the Task Force that the trial program would be a good means to produce the data recommended by the current Task Force. Therefore, we support moving ahead with the trial program on the limited basis described in the proposal, and with the explicit understanding that collection of quantitative data to evaluate the effectiveness of the plan will be a primary goal. UCPB expects UCOP to share these data with the Senate on an annual basis.

Sincerely,

A handwritten signature in black ink that reads "J. Minster". The signature is written in a cursive style with a large, stylized initial "J" and "M".

Jean-Bernard Minster  
UCPB Chair

cc: UCPB  
Martha Winnacker, Senate Executive Director