



*Robert M. Anderson*  
*Telephone: (510) 987-9303*  
*Fax: (510) 763-0309*  
*Email: Robert.Anderson@ucop.edu*

*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*

December 21, 2011

SUSAN CARLSON, VICE PROVOST  
ACADEMIC PERSONNEL

**Re: Proposed new APM 668 (negotiated salary program)**

Dear Susan:

In response to your request for review, I invited all divisions and committees to comment on the proposal for a new section 668 of the APM that would allow academic departments to use non-state funds to provide additional salary for general campus faculty, similar to the health sciences compensation plan. All ten divisions and five committees (CCGA, UCAP, UCFW, UCORP, UCPB) responded. Academic Council discussed the proposal at its meeting on December 14 and concluded that it cannot support adoption of the proposed APM 668. While many members expressed support for the goal of finding creative ways to better compensate faculty and improve retention, Council agreed that the proposal as written is fundamentally flawed and strongly opposed its implementation.

Any alternate proposal that addressed the Senate's many concerns would have to be constructed very differently. As a first step, a new proposal should more clearly articulate the problem being addressed and narrowly design a solution. An acceptable proposal would be more prescriptive, providing as much detailed operational direction as do other sections of the APM and specifying points at which the Senate must be involved in the implementation and decision making processes to extend current campus practices into the proposed new arena.

While a minority of individuals and two divisions (UCSD, UCSF) welcomed the proposal as a way to offer competitive salaries to retain faculty, the majority found it deficient because: 1) it undermines UC's tradition of setting salaries through peer review based on a common salary scale and cedes too much authority for setting salaries to deans and department chairs; 2) it exacerbates inequities by rewarding only those achievements that receive external funding; 3) it is likely to cause conflicts of interest and faculty effort; and 4) it does not anticipate or provide mechanisms for addressing unanticipated consequences. Each of these themes is addressed, below.

Favorable comments came from some divisions with medical centers and from individual faculty members familiar with the Health Sciences Compensation Plan (HSCP) model. UCSD opined that an effective implementation plan jointly developed by divisional Senates and campus

administrations would reduce potential inequities and issues of conflict of effort. UCI also agreed that the plan may be useful for a small group of faculty, but urged Senate oversight of both the implementation plan and determinations of good standing, as well as oversight by a campus-wide body. UCSF supports the proposal on condition that it be modified in specified ways to be consistent with the HSCP and that faculty members appointed in units where the HSCP applies not be eligible to participate. All other respondents raised the following significant concerns.

#### Undermine the Senate's Role in UC's Merit-Based Peer Review Process

- APM 668 would constitute a fundamental change in culture by undermining the concept that all faculty are evaluated under one, common review process, regardless of discipline and campus. Faculty oversight over academic personnel issues is a core part of the UC tradition.
- APM 668 would shift the determination of rewards for faculty merit from a shared governance process to an administrative one (UCM, UCR, UCORP, UCPB) and is inconsistent with APM 210's direction that faculty shall be evaluated primarily by their peers. It would also undermine the role of committees on academic personnel (CAPs), which already include success in securing extramural funds in their evaluation of merit by creating a parallel evaluation system that cannot be applied equally across departments (UCD, UCR, UCLA, UCPB). Off-scale salaries are not arbitrarily determined; they reward exceptional merit through the regular academic personnel review process (UCSB). If implemented, the policy should require that deans consult with CAP to validate salary decisions (UCI).
- APM 668 would undermine the power of the peer review merit process to protect the fairness and equity embodied in the salary scales (UCD, UCI, UCLA, UCR, UCSB, UCSC, UCFW, UCPB) in two ways: a) by awarding increases in salary based on the *availability* of research funds, rather than by the quality of the research (UCI, UCM, UCR, UCORP); and b) by assigning the determination of "good standing" to administrators rather than to CAP.
- The definition of "good standing" is vague and provides deans with too much power to set salaries (UCB, UCD, UCI, UCLA, UCM, UCR, UCFW).
- APM 668 does not discuss how it would coordinate with existing salary augmentation mechanisms or whether those mechanisms could be revised to address the problems identified by the proposed policy.
- The role the Senate would play in reviewing faculty salary negotiations is unclear (UCSD), and it is unclear how the criteria for such reviews would differ from regular academic reviews (UCB).
- The parallel process could add considerably to the oversight burden of Senate committees and to administrators' workload (UCB, UCD, UCLA, UCR).
- The proposed policy would exacerbate the growing irrelevance of the salary scales (UCPB).

#### Exacerbate/Create Salary Inequities

- APM 668 would exacerbate and institutionalize existing salary inequities among disciplines and research focus areas, and across campuses (UCB, UCD, UCI, UCLA, UCR, UCSB, UCSC, UCSC, UCAP, UCFW).
- It may worsen gender and racial salary equity issues (UCD, UCLA, UCAP).
- It would reward only some forms of faculty effort and accomplishment (UCPB).

#### Cause Conflicts of Interest and/or Effort

- APM 668 could provide incentives for faculty to shift their effort toward revenue-producing research activities and away from other types of research and teaching and service, producing a "conflict of effort" (UCB, UCD, UCLA, UCR, UCSB, UCSD, UCAP). The policy does not indicate how its provision safeguarding the balance among UC's three missions would be

enforced, nor does it require deans or chairs to assess its impact on the performance of regular duties.

- It could divert research funds from graduate student support and other uses of funds for research and divert faculty effort from teaching and mentoring (UCB, UCD, UCI, UCLA, UCM, UCR, UCSB, UCSD, CCGA, UCORP, UCPB), impacting UC excellence.
- The proposed policy is not accompanied by estimates of numbers of eligible faculty or likely participants, or analysis of its potential impact on the teaching and research missions (UCFW).
- It could increase the workload of faculty who do not raise external funds.
- It would deepen inequities stemming from UC's conflict of interest policies. Faculty are prohibited from teaching off-campus to increase their income, yet the policy on SSPs encourages them to do overload teaching on-campus. Similarly, the university allows faculty to consult with industry, yet those whose focus is on teaching are prohibited from doing so elsewhere (UCLA CAP).

### Unintended Consequences

- APM 668 is inconsistent with its stated goals of encouraging faculty retention and offering consistent benefits to general campus faculty (UCLA, UCSB, UCFW). The salary increase would be only temporary and therefore would not ensure faculty retention (UCD, UCLA) and could even undermine it by damaging faculty morale and collegiality (UCSB, CCGA, UCAP).
- It could reduce pressure to align the salary scales with market rate salaries (UCB, UCI, UCR). Some worry that it will create an expectation that faculty are responsible for generating a portion of their own salaries (UCLA, UCR, UCSB, UCPB), which has occurred with the HSCP, and "is an ill-considered step toward increasing privatization of the University, absolving the state of its responsibility to support the institution in the name of entrepreneurship." (UCLA GSE&IS).
- By blurring public and private funding of salaries, it undercuts transparency (UCSB).
- The proposal does not mention the cost to UCRP of the negotiated salary (UCSB).
- The proposal is unclear about the purpose and functioning of the contingency fund. Principles and guidelines, rather than a single example, are necessary (UCD, UCI, UCLA, UCR, UCSB).
- Some divisions and committees suggested that APM 668 might violate the intent of federal research grant funding, regardless of measures to comply with the letter of the law, and that it raises questions of compliance and conflict of interest (UCI, UCLA, UCSB, UCORP).
- Some respondents pointed to two ways in which the proposed APM 668 could affect indirect cost recovery. First, since ICR does not fully cover the cost of research, an increased number of grants could worsen the university's fiscal situation (UCLA, UCSB). Second, ICR could be reduced due to the diversion of research funding to salaries (UCORP).
- Some fear that it would negatively impact the public character of the university by encouraging the creation of more high-fee, self-supporting programs that drain faculty resources from core programs (UCLA).
- Unlike the HSCP, in which revenues are partially shared and common effort is rewarded, the NSP privatizes salary negotiations and is not transparent (UCLA, UCM, UCPB). Guidelines for revenue sharing could mitigate resentment among faculty.

Council members agreed that the proposal may benefit a small number of faculty but that it will not solve systemic compensation problems. Council opined that both the problem and the solution should be more narrowly framed, echoing several suggestions for alternate approaches raised in the responses to the review. For instance, Berkeley suggested that allocating revenues, when available, to provide additional off-scale salary increments, would be a better way of funding increases,

without the problems associated with the proposed negotiated salary program. UCI's CPB advocated that the scales be rectified by school rather than by individual faculty member. UCPB recommended that if the proposed policy is intended to correct very large market lags in particular disciplines, such as biological sciences, it may be better to consider a special salary scale for that group based on market studies.

Given the numerous and serious reservations expressed by a majority of divisions and committees, we strongly recommend that the negotiated salary plan, as written, not be incorporated into the APM. Instead, we support continued discussions of alternate ways to better compensate faculty. Above all, we strongly advocate for adequate resources from the state and to redouble efforts to improve to restore competitive salary scales.

Sincerely,

A handwritten signature in cursive script that reads "Robert M. Anderson".

Robert M. Anderson

Cc: Academic Council  
Executive Director Winnacker

Encl.



December 5, 2011

ROBERT ANDERSON  
Chair, Academic Council

*Subject: Proposed new policy APM 668 (Negotiated salary program)*

Dear Bob,

On November 7, 2011, the Divisional Council (DIVCO) of the Berkeley Division discussed the proposed new academic personnel policy, APM 668 (Negotiated salary program) informed by reports from our divisional committees on Academic Planning and Resource Allocation, Budget and Interdepartmental Relations (BIR), and Faculty Welfare. There is a strong consensus on both DIVCO and the reporting committees in opposition to the proposed policy.

The key points of the discussion in DIVCO closely mirror those raised by BIR in its report. Accordingly, I am appending the BIR report in its entirety.

In sum, while we appreciate the motivation behind the proposed APM 668, we urge Academic Council to oppose the current proposal and ask the administration to reconsider its approach to this important issue.

Sincerely,

Bob Jacobsen  
Chair, Berkeley Division of the Academic Senate  
Professor of Physics

Encl.

Cc: Alexis Bell and Elizabeth Deakin, Co-chairs, Committee on Academic Planning and Resource Allocation  
Benjamin Hermalin, Chair, Committee on Budget and Interdepartmental Relations  
Yale Braunstein, Chair, Committee on Faculty Welfare

Aimee Larsen, Manager, Committee on Budget and Interdepartmental Relations  
Diane Sprouse, Senate Analyst, Committee on Academic Planning and Resource Allocation

October 27, 2011

ROBERT JACOBSEN, CHAIR  
ACADEMIC SENATE, BERKELEY DIVISION

RE: Review of Proposed New Policy APM-668, Negotiated Salary Program

We write in response to your request for comments on the proposed policy APM-668, the Negotiated Salary Program (NSP). This proposed policy has the potential to have significant effects on the University broadly and the Berkeley campus specifically. By and large, we have serious reservations; we fear that adoption of the policy is neither in the system's nor Berkeley's interest.

One positive about the proposed policy is that it preserves the University's commitment to paying 100% of faculty members' salaries. That is, our salaries continue to be paid on "hard money." Such a commitment reduces distortions in academic priorities and reduces incentives to tailor one's teaching and research according to commercial as opposed to academic values. Unfortunately, the supplemental salary aspect of the proposed policy could very well create such incentives, as we discuss later.

While we recognize the financial constraints currently facing both the UC system and the Berkeley campus, we nevertheless question proceeding down a path by which UC faculty will increasingly be called upon to raise their own funding if they wish to have salaries competitive with those offered by our peer institutions. Although we doubt the intention is to return to the practices of certain medieval universities, where faculty received payment by passing the hat after a lecture, we also doubt that the long-term health and reputation of the University of California can be sustained if we start back on that path. In addition, despite the stated commitment in "Materials on the Proposed New Policy APM 668," an attachment to Vice Provost Carlson's memorandum of August 26, 2011, to maintain competitive faculty salaries, we fear that this proposal will lessen the pressure to bring academic salary scales in line with market rates and ensure the future timely adjustment of these scales in response to inflation and increased predation from peer institutions.

Inevitably, the NSP would divide the faculty into haves and have-nots. There are fields—such as the health sciences and business—with ready access to outside sources of support, and fields—such as the humanities—without such access. The distinction will divide along disciplinary lines, according to scholarly interests and department affiliation. We are concerned that this will increase salary disparities,

with an accompanying increase in frictions and diminished morale. If APM-668 does go into effect and the Berkeley Chancellor decides to implement it, we strongly urge campus officials to identify resources that would allow those faculty, whose scholarly interests do not permit them to obtain outside support, access to funds for negotiated supplements. To do otherwise risks alienating large portions of the faculty and could potentially lead to an undesirable unevenness in terms of quality across disciplines.

Most critically, the NSP inevitably introduces incentives for faculty to shift their time and attention toward revenue-producing research activities and away from other research, teaching, and service. Although such shifts may be preventable on readily measured dimensions (*e.g.*, hours in the classroom), less measurable dimensions (such as mentoring and service, especially of an informal kind) could see reductions in faculty effort. Both economics and common sense suggest that this would be the outcome of providing such a new paymaster. Hence, despite the NSP's stated commitment to teaching, research, and service—"Participation in this program may not disrupt the required balance in duties or otherwise negatively impact a faculty member's regular research, teaching, or service obligations" (APM 668-10(d))—the NSP introduces incentives for precisely such disruptions. We fear a shift in priorities that will change Berkeley, and probably not for the better.

Our committee and the University as a whole could come under pressure to respond to faculty desires to engage in revenue-generating activities by expecting less from participating faculty in other activities. As noted, this could be especially true of service and mentoring, but it could extend beyond those dimensions. In turn, this pressure could lead to a lessening of the high standards that have made UC Berkeley one of the world's greatest universities. If APM-668 is adopted and the Berkeley Chancellor decides to implement it, we strongly urge a thorough and candid assessment of its effect in these regards be conducted after a suitable interval, and we recommend that the NSP be adjusted or dropped if this review demonstrates such problems.

We have further concerns about implementation of this proposed policy should it be adopted. In terms of the shared governance traditions on this campus, APM-668 raises a large number of questions. To be eligible to participate in the NSP, a faculty member must be in "good standing." The definition of good standing offered in proposed APM-668-4(c) is somewhat vague; hence, considerable effort by the Senate and administration would be needed to arrive at a clear standard suitable for implementation of the NSP. Proposed APM-668-6(c) allows for the possibility of review of negotiated salaries by the Budget Committee (BC). Such review could add considerably to the workload of an already hard-working committee. The BC could forgo such review, but to do so might arguably be at odds with long-standing traditions on this campus. We are also concerned that the proposed policy does not address how reviews connected to the NSP will be coordinated with existing campus personnel reviews. How will criteria for such reviews differ from criteria for regular academic reviews? How will the outcomes of regular academic reviews



be reflected in determining “good standing” status and eligibility to participate in the NSP?

As a final point, we observe that, at least on this campus, there might well be limited or no need for an NSP. Current policy permits increases in decoupling if funding sources are available. Such funding can come from endowment funds, revenues from professional degree fees, and revenues from part-time degree programs. Some units on campus (*e.g.*, Haas and Law) are already using such funding to support increased decoupling. The current campus TDI program is another example. As the campus improves both its fund-raising and its offerings of part-time degree programs, additional sources of revenue can be made available to shrink the gap between Berkeley faculty salaries and those of peer competitors. These means of funding salary increases have not, so far, exhibited the pathologies that concern us about the proposed NSP. For a number of reasons, we find these more in keeping with our academic and governance traditions.

We accept that declining state support requires that University and campus leaders look for other sources of funds to maintain excellence and access. We also accept that this can mean we will frequently find ourselves between Scylla and Charybdis. Nonetheless, considerable caution is warranted before we adopt proposals that may have many unintended consequences. We believe that the proposed APM-668 is neither right for the system nor for Berkeley because of its potential to divert attention from other ways to close UC’s gap in salaries *vis-à-vis* peer institutions, its potential to change how faculty allocate their time, its potential toacerbate inequities on this campus, its potential to complicate accountability and assessment, and its potential to change the character and undermine the mission of the University. We urge the Senate and administration to oppose its adoption in its current form, especially as there would seem to be alternatives, for Berkeley at least, which are less radical.

Benjamin E. Hermalin  
Chair

BEH/mg



OFFICE OF THE ACADEMIC SENATE  
ONE SHIELDS AVENUE  
DAVIS, CALIFORNIA 95616-8502  
TELEPHONE: (530) 752-2231

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



Office of the Academic Senate  
307 Aldrich Hall  
Irvine, CA 92697-1325  
(949) 824-2215 FAX

November 18, 2011

Robert Anderson, Chair, Academic Council  
1111 Franklin Street, 12<sup>th</sup> Floor  
Oakland, CA 94607-5200

**RE: UCI Senate Review of APM 668, Negotiated Salary Plan**

At its meeting of November 15, 2011, the Irvine Division Academic Senate reviewed the proposed changes to APM 668, Negotiated Salary Plan. The following comments were presented by the Council on Academic Personnel (CAP), the Council on Faculty Welfare, Diversity and Academic Freedom (CFW) and the Council on Planning and Budget (CPB), and endorsed by the Senate Cabinet.

The Senate Cabinet agreed that this plan will allow a small group of faculty a mechanism to augment their faculty salary. However, the Cabinet also agreed that the Senate should maintain oversight of (a) the implementation plan; and (b) determinations of Good Standing and the NSP for each faculty member. Also, as a public institution and for the integrity of the process, there should be transparency and oversight by a campus-wide body.

Council on Academic Personnel (CAP)

As the salaries for UC faculty lag behind our competitors and the gap is widening, CAP would prefer to see an across-the-board increase to the UC salary scales, yet we also recognize the reality of the limitations of State funding at this time. Therefore, CAP reluctantly endorses the NSP as a means to augment faculty salaries, with the following specific concerns that need to be addressed.

As drafted, the policy requires each Chancellor to consult their divisional Academic Senate before determining if the campus will participate in the NSP. A dean determines whether a faculty member is in Good Standing after input from the department chair and the faculty member. Additional Senate oversight would only apply on those campuses where the Council on Academic Personnel has input on each faculty member's salary. Some campuses, such as UCI, do not make salary determinations for each case and, therefore, would not be involved in reviewing the NSP for units or individual faculty members.

In that each faculty member may negotiate a different plan, the NSP is potentially prone to bias and favoritism. In the interest of fairness, we would want a revision to the NSP policy such that the Dean would also have to consult CAP to ensure that a campus-wide body agrees that the faculty member has the appropriate mix of accomplishment in teaching, research and service activities to be in Good Standing.

Certain details of the program, which may vary among campuses and units in their implementation, need further consideration. For instance, in the basic assumptions for the four case studies, a campus mandates a contribution of 3% of professorial base salary be put into the contingency (or reserve) fund. What is the rationale for this rate being 3% and what level administrator has authority over the reserve fund? Depending on how the funds are pooled (e.g., as a single reserve for the faculty member or pooled for the department, school, or campus), the reserve could be too large or too small.

Given that some federal and private agencies allow salary other than summer salary (e.g., NIH), while others do not (e.g., NSF), faculty in certain disciplines are favored over others. CAP is concerned that these inequities may further polarize faculty into “haves” and “have nots” even within schools.

CAP hopes that the State of California will again fund the University of California to the full extent necessary. In the meantime, however, CAP members recognize that there are already inequities in faculty compensation across disciplines and see the NSP as having some positive attributes that could compensate some faculty. CAP’s primary concern is that the Academic Senate (and/or each campus CAP) should be involved in the review of (a) the implementation plan for each unit, if units within a campus can have different plans; and (b) determinations of Good Standing and the NSP for each faculty member. Although we have been told our competitors are using similar compensation programs, as a public institution and for the integrity of the process, there should be transparency and oversight by a campus-wide body.

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

CFW supports the proposed policy because it would provide a mechanism that would allow senior faculty to have salary equality with junior faculty who were recently hired with an off-scale salary. The policy would also aid in retention by providing more competitive salaries to faculty who have received outside offers. Members of CFW agreed to forward the following questions and comments:

- The 3% contingency fund contribution is levied on the base salary, which rules out the possibility that faculty can increase their salary by amounts smaller than 3%. Moreover, it constitutes regressive “tax” (potentially very heavy) on other incremental increases. To address these problems, one suggestion is to set the contingency fund contribution as a fraction of the extra income beyond the base salary, but limit the total contribution to 3% of base salary.

- Another issue of concern is the effect the Negotiated Salary Plan will have on the UC Retirement Plan. Can the proposed system be used to inflate salaries for three years prior to retirement, which would then place undue pressure the UC Retirement Plan? Can the system be used to inflate other benefits? It appears reasonable that the negotiated salary program should not lead to diversion of any extra UC funds, especially after the NSP contract period ends.
- There is insufficient clarity in the proposed plan as to what will be done with the contingency fund after the required and sufficient amount has been collected over a period of time. Does the surplus money become discretionary funding for Deans and Department Chairs? Also, as a mechanism to recoup extra salary money from individuals who claim the extra salary but the money does not materialize, can this be done from future grants?
- There was concern that the current budget crisis has produced a trend of shifting expenses from UC to other sources of funding (e.g. our retirement plan counts contributions from Social Security, our retiree medical plan heavily relies on Medicare, etc.). The unfortunate aspect of this transfer is that these external sources are not on solid footing (e.g. Social Security and Medicare), which increases the future risk to UC employees.

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

Practical consequences of instituting NSPs are to bring some faculty salaries closer to competitive market salaries without reliance on off-step state-supported salaries. CPB opposes the plan with one dissenting vote. The dissenting member believes that a negotiated salary plan is preferable to the ad-hoc mechanism by which off-step salaries are sometimes awarded. Opposition to the plan is based on the following.

1. The plan undermines the UC merit system and increases salary inequity – The UC merit and promotion review process, 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 “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 NSP undermines this merit system in two manners. First, faculty may receive substantially higher salaries primarily on the basis of the availability of research funds that qualify for use in NSPs. 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 faculty members in some fields to increase their research quality or productivity, availability of research funds, in general, and qualified research funds, in particular, is not in itself a demonstration of research quality or productivity.

Instituting an NSP on the basis of funding availability would likely increase the inequity in salary among faculty at the same rank and step, even within the same discipline.

Second, the proposed NSP undermines the merit system by placing the determination of “good standing” in the hands of Department Chairs and Deans. UCI’s CAP would not be involved in the decision of “good standing”. A parallel system of determining eligibility for NSPs by Chairs and Deans is inconsistent with APM 210’s direction that appraisal is to be determined primarily by the Faculty.

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 NSP’s motivation, described by its authors, is to reduce the use of off-step salaries in retention offers and to compensate faculty at competitive levels. The lack of competitiveness of UC faculty salaries is indeed a critical issue. The use of off-step salaries in retention offers may be warranted in some instances. However, institutionalizing negotiated salaries based on the availability of qualified funds is not an appropriate or equitable policy solution to the problem of lack of state funding in general or for exceptional cases where off-step salaries are warranted as part of a retention offer. Increasing the salaries of faculty who participate in NSPs would directly reduce the motivation to compensate non-participating faculty at competitive levels, to the detriment of most faculty, even very highly performing faculty.

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, rather than 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 NSP is designed to try to satisfy the letter of these regulations, but it clearly violates their intent. A minority of Council believes that the proposed arrangement is vetted and tacitly accepted by most agencies and hence not a concern.

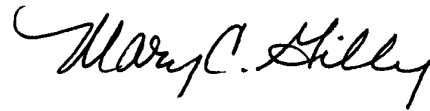
In most cases, using research grants for NSPs will correspondingly reduce the use of these funds for other research purposes, since the total research funds awarded will not increase in order to support NSPs. This redirection of research funds will result in less support for graduate students and research-related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

4. The plan is, in part, counter-productive to reaching its goals – Contrary to its stated goal, we believe that NSPs would discourage rather than encourage, “the appropriate mix of teaching, research, and service activities” by placing a large incentive on attracting qualified funds. The final goal is to offer “consistent benefits and privileges to general campus faculty”. However, as discussed above, NSP would result in increasing, not decreasing, consistency of benefits.

The Irvine Division appreciates the opportunity to comment.



Craig Martens, Senate Chair



Mary C. Gilly, Senate Chair-Elect

C: Martha Kendall Winnacker, Executive Director, Academic Senate



December 5, 2011

Robert Anderson  
Chair, Academic Council

**Re: Proposed APM 668**

Dear Bob,

Thank you for the opportunity to review and opine upon the proposed APM 668, the Negotiated Salary Program. Upon receipt, I distributed the plan to all the standing committees of the Academic Senate, including the Faculty Executive Committees. Although all committees are welcome to opine, I specifically requested review by the Council on Planning and Budget (CPB), the Council on Academic Personnel (CAP), the Graduate Council (GC), and the Undergraduate Council (UgC).

Although recognizing and appreciating the problems APM 668 seeks to address, the UCLA Academic Senate does not support the proposal at this time. When the question was called on whether to oppose the proposal, the Executive Board, which speaks for the division on such matters, voted 8 in favor (including 1 student) and 3 opposed; there were no abstentions. While some of the FECs, Committees, and Councils voted in favor of the proposal, the majority of comments consisted of serious concern about or opposition to the proposal. Certain themes emerged from the various reports as the most consistent concerns about the proposal: 1) it has the potential to undermine faculty commitment to teaching and would encourage faculty to pursue income-generating activities; 2) it would encourage faculty to take as salary monies that could be used to support graduate students or research projects; 3) it would serve to increase pay equity issues among the faculty; 4) it represents the first step on a “slippery slope” on which faculty will be increasingly responsible for generating their own salaries; and, 5) it will serve to further undermine the campus salary scales and concentrate further power for setting salaries in the hands of deans and department chairs. It is worth noting that the proposal was better received in the School of Medicine and by those groups that were more familiar with how the Health Sciences Compensation plan currently functions, although even among these groups some of the same concerns were raised.

I have attached all of the responses I received for your information. Our Division would be more receptive to a proposal that demonstrates its ability to protect evenly the faculty commitment to teaching, service, and research.

Please do not hesitate to contact me if I can be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew Leuchter". The signature is fluid and cursive, with the first name being more prominent.

Andrew Leuchter  
Chair, UCLA Academic Senate

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

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

---

November 3, 2011

Professor Andy Leuchter  
Chair, UCLA Academic Senate

**Re: Council on Planning on Budget Response to APM 668 and 670**

Dear Professor Leuchter,

We had a lively discussion of the proposed revisions to APM 668 and 670 at our meeting of October 31, 2011. We began with a brief discussion of 670, the proposed revisions to the Health Sciences Compensation Fund. Most members...especially those not familiar with the details of the current HSCP...saw little in the revisions, beyond the elimination of verbiage that, while admirable in its sentiments, carried little governing force in the first place. One member knowledgeable about the process of review and revision leading to these changes lamented that earlier efforts to increase the role of peer review and transparency seem to have been abandoned in the final version. The new language apparently seeks to minimize the use of very small APS's, about which opinion was mixed.

APM 668 generated lots of comments, most of them unfavorable. The proposed Negotiated Salary Program provides a systemwide framework for campuses to developed specific programs to provide General Campus faculty with up to an additional 25% of their core salaries, funded by endowments, self-supporting program fees or research contracts and grants. One way to look at this is as the injection of new resources to retain or reward individual faculty members, above and beyond current resources. Another is that 668 would provide a more regularized framework for many practices currently being employed by chairs and deans, particularly in fields with high market demand. There are federal constraints on the degree to which grant money can be used for salaries, especially in some agencies. One of these constraints is that other sources for supplementary compensation must also be available, not just grants. Hence, this sort of broad-based program is essential if UC is to conform to federal rules about the use of federal contract and grant funding.

The broadest criticism of the NSP is that it would represent a fundamental culture change, a shift from our peer review-centered program to one in which individuals negotiate directly with their chairs and deans. Some thought it was more a reflection of changes that have already occurred in our local academic marketplace, though even they agreed that it could accelerate this change. Many committee members felt that such a system would be open to abuse and favoritism; others saw flexibility and potentially rapid response to outside offers. Most CPB members prefer that compensation continue to be provided largely or entirely within the

context of our pre-existing peer review system. On the other hand, many, and perhaps most, also recognize that chairs and deans play dominant roles in deciding actual compensation packages already. No one argued that compensation should be uncoupled from merit, but the consensus was that merit is best judged within the current peer review system.

Another criticism concerned the possible distorting effect of the NSP on faculty behavior, whatever the source of funding. For grant and contract income, it could impact the choice of research topics and funders, from pure research supported by NSF and research-oriented foundations, to more applied work funded by private entities. The earnings on research endowments might be re-directed from student support to faculty salaries (the same shift might be seen in the use of grant funds). Perhaps the most pernicious potential effect could be seen in funding from self-supporting programs, which, whatever the formal principles enunciated, would likely shift the balance of effort away from traditional undergraduate and graduate instruction toward professional and certificate programs.

A third dimension of the criticism involved the likely effect of increasing income inequality among faculty, both across and within units. Gender gaps could be enlarged and other inequality not based on generally recognized merit differences exacerbated.

CPB recognizes that there may be some perfectly good reasons to adopt a version of NSP at UCLA, especially given our generally precarious funding, the loss of faculty to other institutions, and the "drift" of eligible faculty to the Health Sciences so that they can be compensated under the HSPC. A minority of CPB members therefore favor adopting a version of the NSP. But the majority feel that it would be an unfortunate step to adopt the NSP at UCLA.

Respectfully,



David Lopez  
Chair, UCLA Council on Planning and Budget

cc: Linda Sarna, Vice Chair, Academic Senate  
Ann Karagozian, Immediate Past Chair, Academic Senate  
Jaime Balboa, Chief Administrative Officer, Academic Senate  
Linda Mohr, Assistant Chief Administrative Officer, Academic Senate  
Council on Planning on Budget Members

# UCLA *Academic Senate*

---

October 25, 2011

To: Andrew Leuchter  
Academic Senate, Chair

From: Joel D. Aberbach  
Faculty Welfare Committee, Chair

Re: Systemwide Review of New APM 668, Negotiated Salary Program

---

The Faculty Welfare Committee reviewed the Systemwide Review of New APM 668, Negotiated Salary Program at their meeting on Tuesday, October 11, 2011. Various concerns were raised about the document.

1. Please ask for details about how the University intends to administer this program.
2. What are the equity implications (within and across departments) for fields where grant opportunities are limited, and how does the University intend to address equity issues raised by the proposed Negotiated Salary Program?

We thank you for the opportunity to participate in this process.

Cc: Jaime Balboa, Chief Administrative Officer, Academic Senate  
Dottie Ayer, Assistant to Chief Administrative Officer, Academic Senate  
Brandie Henderson, Policy Analyst, Academic Senate

# UCLA *Graduate Council*

---

To: Andrew Leuchter, Chair, Academic Senate

From: Joseph Nagy, Chair, Graduate Council

Date: October 31, 2011

**Re: Systemwide Review of Proposed New Policy APM 668, Negotiated Salary Program**

At its meeting on September 30, 2011, the Graduate Council reviewed your request for comments on the proposed new policy, APM 668 – Negotiated Salary Program. While Council members noted that the new policy does not overtly pertain to graduate education, they did share their comments from a faculty perspective about the pros and cons of implementing such a policy at UCLA. As such, members neither endorsed nor opposed the proposed policy, but do wish to register their comments for the record.

Members first noted that the new policy would encourage more entrepreneurial efforts and engagement by the faculty in considering creative strategies for fund-raising, for generating revenues, and for competing for extramural funding. No doubt, such incentives would assist the University with retaining its distinguished faculty as well as providing additional financial means to faculty members in light of the diminishing support that the University receives from the State of California. Members could not argue with the merits of such impacts.

However, noting that the proposed policy was modeled after the health science compensation plan, which is already being used at UCLA, members inquired if it was a fair comparison given the relative stability of clinical income and relative instability and/or restrictions of the three primary sources that were cited for funding the negotiated salary program: gifts and endowments, professional fees and fees in self-supporting programs, and contracts and grants. Members noted the potential for negative repercussions of offering such incentives by:

- 1) overloading the faculty, who must already demonstrate a commitment to research, teaching and service, with additional expectations;
- 2) deterring faculty commitment to existing academic degree programs with their pursuit of new income streams;
- 3) diverting funds from grants into personal salaries, as opposed to research projects and student support; and
- 4) providing only temporary salary supplementation inasmuch as the identified funding sources are temporary, resulting in the potential for labor disputes or general ill-will.

Members also commented on the encouragement to develop professional and self-supporting degree programs and recalled previous responses that the Council has shared with Senate Leadership, specifically with respect to self-supporting programs. While it cannot discourage the promulgation of these programs, the Council maintains its concern about financial motivations trumping academic priorities and the faculties' ability to maintain long-term commitments to self-supporting programs, given the requirements to teach on off-load or overload bases. While sympathetic to the UC's economic plight, the Graduate Council encourages the Senate Leadership and the UCLA Administration to be mindful of such encouragement having the potential for negatively impacting the reputation for excellence for which UCLA is celebrated.

If you have any questions or concerns about this response, please feel free to contact me via the Graduate Council's analyst, Kyle Cunningham, at 310-825-1162.

cc: Jaime Balboa, Chief Administrative Officer, Academic Senate  
Kyle Cunningham, Sr. Policy Analyst, Graduate Council  
Dorothy Ayer, Executive Assistant, Academic Senate

October 20, 2011

To: Professor Andrew Leuchter, Chair  
Academic Senate

From: Professor Richard L. Weiss, Chair  
UCLA Undergraduate Council



**In Re: Undergraduate Council Response to Proposed New Policy APM -668, Negotiated Salary Program**

On behalf of the Undergraduate Council, I would like to extend the Council's appreciation for seeking our input and thank you for the opportunity to review and opine on the Proposed New Policy, APM – 668, Additional Compensation—Negotiated Salary Program (NSP). The Council discussed the proposal at its September 30 and October 14, 2011 meetings and concluded that the proposal is meritorious in principle. While the Council decided to endorse the proposal, our discussion also drew attention to the following concerns:

- It is left unclear how the “contingency fund” will be utilized and managed. Frequently Asked Question 9 indicates that the fund is to cover the costs of negotiated salaries in unforeseen situations. However, according to 668-10 a) Implementation Plans, implementation plans will only include the percent required to establish the contingency fund, but not the ways in which the fund will be utilized and managed.
- Members are concerned whether the NSP may adversely affect undergraduate education by lessened ladder faculty teaching commitment, questioning how 668-10 d) Regular Duties, which states that “participation in this program may not disrupt the required balance in duties or otherwise negatively impact a faculty member’s regular research, teaching or service obligations,” will be enforced.
- The NSP may create inequality between those who may have ample opportunities to participate and those who may have little access to such opportunities. Will there be any plan to provide incentives for otherwise highly achieving faculty among the latter?

The Council remains interested in following how these concerns may be addressed and looks forward to an invitation to review future drafts. If you have any questions, please feel free to contact me (x53621; weiss@chem.ucla.edu) or Academic Senate Principal Policy Analyst Jisoo Kim (x51194; [jkim@senate.ucla.edu](mailto:jkim@senate.ucla.edu)).

cc: Dorothy Ayer, Executive Assistant to the Senate Leadership, Academic Senate  
Jaime Balboa, Chief Administrative Officer, Academic Senate  
Jisoo Kim, Principal Policy Analyst, Academic Senate

## Council on Academic Personnel (CAP) - APM 668

November 8, 2011

The Council on Academic Personnel (CAP) has reviewed proposed APM 668. Although as individual members of the Academic Senate we have specific views on the subject, we have endeavored to assess the proposal from the vantage point of our CAP mission-- to evaluate candidates for appointment and promotion according to the standards set forth in the APM. Because CAP is charged with assessing candidates from widely disparate disciplines and fields, and must do so under a common standard, we are particularly attuned to any changes in the APM that potentially impact the standard to be applied. While the proposed APM 668 does not directly change the standard that calls for excellence in teaching, service and research, the proposal raises questions that pertain to how it incentivizes or rewards particular behaviors or endeavors,<sup>1</sup> and this in turn can impact how the metric is understood and applied. Our perspective then is one that is informed by the objective of safeguarding the standard of promotion and ensuring that it is fairly and equally applied across and within departments.

We offer in the following pages several potentially positive and negative aspects of the proposal that reflect the diversity of views within the committee. We note at the outset two important points that frame our intervention. First, we are of the view that given the potentially far-reaching aspects of this proposal both for faculty and the students that we teach, it is crucial to obtain significant and broad input. While we know that earlier and somewhat different versions of this proposal have previously been discussed with the faculty, this particular iteration of APM 668 has only recently been vetted. Moreover, although the proposal has been circulated through the appropriate channels to members of the Academic Senate, we are not aware that the robust debate among the faculty, students and the public at large that the proposal warrants has been generated. We are aware that this may be a difficult and unwieldy undertaking, but democratic processes often are. Because of the import of the proposal and its implications for the level of public funding of faculty compensation, we think it important that a broad consultation precede any effort to implement APM 668.

A second and crucial consideration is that as CAP members we are particularly aware of the time requirements of serving on this committee. We are all honored to serve as members and take our commitment to do so seriously. But we are concerned that though APM 668-10(d) says the NSP may not disrupt regular duties, in practice it could result in conflict of effort because of a participant's emphasis on generating such income. Of course, the thrust of APM 668 is to incentivize and reward enterprising faculty for their efforts, and this is as it should be. But we note that should APM 668 be implemented, it may well make it more difficult to recruit members to serve on such a labor-intensive undertaking when one's efforts might be spent in securing additional compensation. (We do note however that service on CAP, and other time consuming bodies, traditionally cares course releases and insist that such fair trading be allowed to continue.) APM 668 should not be allowed to diminish the ability to recruit faculty to perform other important faculty governance functions as well and thus possibly to undermine the foundation on which shared governance is built.

---

<sup>1</sup> For example, APM 668 provides: "Faculty members are responsible for remaining in Good Standing and for exemplary contributions to the University mission, e.g. external recognition, research dissemination, educational innovation, and the generation of non-state appropriated funding to support faculty activities." This appears to incorporate into the requirement of maintaining Good Standing that faculty members generate external funding. While it is certainly the case that in many departments the norm is to seek and secure external funding to support research, that is not the case across the board and is not an avenue available in all fields or areas of research.



November 8, 2011

With this we offer the following observations:

**Positive aspects of the Proposal:**

1. Given diminishing resources, we must reduce our reliance on state funds to support faculty salaries. Otherwise, we risk an exodus of faculty and sharper increases in tuition.
2. Merit and cost-of-living increases are often not enough to raise individual faculty salaries to a competitive level. This proposal would help address the deficit.
3. This proposal would help with faculty retention and the ongoing competition with other universities for recruiting outstanding faculty given housing expenses and the cost of living in LA. Requiring a faculty member to get outside offers before UCLA will bring his/her salary up to market levels is reactive and introduces the risk that the faculty member will actually take one of the outside offers generated.
4. It gives an incentive for departments and faculty to try to generate outside sources of income. This might allow faculty to generate additional funds for their specific programs that may involve new teaching venues or outlets for their specific creative activities.
5. It might allow more faculty to be hired/retained for needed programs at a time of diminished UC funding/resources.
6. It would allow more faculty to have the option for sabbatical leave and the needed funding sources during sabbatical leave.
7. The general policy of the NSP follows the current policy of the summer ninths. It fully depends on the availability of non-state funding and is not a permanent part of a participant's salary scale. This allows the use of such funding to augment compensation for faculty retention while following a well-established process that was used for summer compensation. APM 668 does keep the current policy of determining the "base salary (including off-scale)" for any person whose chooses to participate in NSP. The proposed NSP policy does not change a person's base salary, nor the way this base salary is reviewed or the criterion used to determine it. We should emphasize that this basic principle should never be violated in order to safe-guard the fundamental values of our system. If salary is based largely outside of the mission of teaching and service, these may well suffer. And the idea of academic review for promotions may be weakened.
8. Faculty should have the option of using additional funds they generate for their research programs rather than as take home pay.

**Negative Aspects of the Proposal.**

**1. Impact on mission of the university as a public institution:**

The mission of the UC is to do research, service and teach the public students of California. The declining state support and ongoing economic crisis has undoubtedly negatively impacted the university's ability to properly compensate its faculty but our concern is that this proposal endeavors to solve the funding crisis in a way that potentially undermines the public mission and our view of ourselves as a public

November 8, 2011

institution. Currently there are debates about whether particular units of the university should privatize. Regardless of our views on these particular proposals, at least these are open debates about the question. APM 668 however has not been subject to the kind of robust public debate that a proposal like this warrants. We should at the very least acknowledge what a major shift this would be.

In particular, some of us are concerned that the focus on external funding encourages a kind of accounting that counts only the visible input of grant dollars but renders invisible the infrastructure on which successful grant procurement is built. Thus the incentive to pursue grant funding to increase compensation will likely increase the perception both within and among departments that there are faculty who are contributing members as against those who are not. But of course the ability to secure grants is a byproduct of individual faculty effort and creativity as well as the broader support system, students and intellectual environment. For example, in the absence of well-trained undergraduates, our graduate departments, professional schools and research units would lack the human capital to produce high quality work in both teaching and research. The structural inputs are thus all interconnected and our concern is that this proposal further treats certain inputs as valuable while others are simply obscured.

2. **Impact on faculty:**

**One major concern relates to how the proposal will impact equity.**

- A. The proposal increases the risk of creating a two-tiered faculty of those who can access grants and those who cannot because their research does not fall within areas that are well funded. Of course, this difference exists separate and apart from this proposal but the concern is that it will exacerbate this difference, and undermine the common mission.
  
- B. We know there are salary inequities by gender and race/ethnicity at UC. The university apparently cares about these disparities. We also know that there are clear racial disparities in success rate for getting R01 grants at NIH, especially for Black investigators compared to whites.<sup>2</sup> If a faculty member's salary can be negotiated upward based on NIH extramural grant funding, then the new plan will only further increase the racial salary gap at UC. This proposal would thus entrench troubling inequalities. It should be determined whether similar racial disparities in grant support are evident at other federal agencies such as NSF.
  
- C. The only way for those faculty who do not have access to grants might be able to earn extra income would be to develop high fee programs and lessen time given to "public" students. We realize that the UC, like other research universities, is being forced to reconfigure itself to adjust to diminished research funding from federal agencies like the National Science Foundation and the National Institutes of Health.

---

<sup>2</sup> See August 19, 2011 issue of *Science* for the results of an NIH-supported study.

November 8, 2011

One can assume that private foundations and industrial/pharmaceutical funding will also become increasingly competitive. Thus, the idea of faculty searching for new sources of extramural of funding, while making sense, seems likely to help a minority of the faculty--those who are in fields where funding is still plentiful, or in cases where the person spends an inordinate amount of time and effort (possibly at the expense of other university duties) trying to obtain these funds. In either situation, the new policy undoubtedly has the potential to create different classes of faculty within a single department.

- D. Current conflict of interest policies prohibit faculty who spend much of their time teaching from doing so off campus to increase their income. Yet we are encouraging our faculty to do this internally with high fee programs. Either change the conflict of interest policies to allow (especially struggling junior faculty) to teach at other institutions to buttress their income, or don't allow it internally. We also allow those faculty who have most access to grants to do consulting and work with industry, while those whose work entails more time in the classroom are not allowed to do similar outside work in the area of teaching.

We suggest that every effort be made to develop specific guidelines to mitigate feelings of resentment and unequal treatment within a single department/school. In the original proposal, the argument was made that compensating faculty partly from revenues generated by fee-based programs has the potential of freeing up UCLA resources that had been used to pay the salaries of those faculty. This money could then be used to raise salaries of those in departments or among those faculty within departments that cannot generate outside revenue. However the current version of the proposal makes no mention of this issue.

### **3. Impact on teaching:**

- A. Using fee programs to generate additional income for faculty will inevitably draw their time and attention away from our "public" students and thus decrease the quality of their education. This is particularly concerning when the numbers of students are increasing and the number of faculty is decreasing. The time invested in seeking outside funding or in teaching in high-fee programs must necessarily come out of time now being invested in regular classes. This shift away from our public teaching mission would certainly be of concern to the citizenry of California.
- B. Allowing faculty to buy out their teaching will increase the burden on those faculty remaining in the classroom--and worse, it will increase the burden on lecturers and especially on TAs. While it is true that some departments already allow faculty to buy out of their teaching, this proposal will exacerbate this problem. Several members of CAP stressed that it is essential that faculty not be able to buy out their teaching time or teaching will be the first to suffer. Teaching

November 8, 2011

standards and requirements set by the Department need to be adopted irrespective of the funding sources secured by a given faculty member. We note in particular that in those areas of research where grants are a realistic possibility they tend to be awarded to the most original researchers and thinkers. Do we want to remove such faculty from our classrooms?

**4. Impact on current compensation structure:**

- A. APM 668-16 says “The Chancellor must establish a campus or school maximum percent of total negotiated salary and the percent required to establish the contingency fund.” But it does not specify an upper-limit figure, though an example uses 25% base salary. There should be a specific upper-limit figure that the Chancellor can choose to establish. The concern is that if the allowable percentage is close to, or even higher, than the base salary, then our step system would become irrelevant.
- B. Another concern relates to the possibility of replacing part of the faculty’s state-funded base salaries with other funding. (See FAQ 7: “Public institutions have more varied policies and practices, which often vary by college within the institution. Some have faculty on less than 100% appointments with the assumption that the faculty member will put the remaining percent of time on external funds, including endowments and contracts.”) This would definitely create a two-tiered faculty in a school.

# UCLA MEMORANDUM

College Faculty Executive Committee  
A265 Murphy Hall

November 3, 2011

To: Andrew Leuchter, Chair  
Academic Senate

From: Michael Meranze, Chair 1707  
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

---

**UCLA** Engineering

HENRY SAMUELI SCHOOL OF  
ENGINEERING AND APPLIED SCIENCE

**M E M O R A N D U M**

---

Faculty Executive Committee

TO: Jaime Balboa, CAO  
Academic Senate  
3125 Murphy Hall

FROM: Alan J. Laub, Professor  
Chair, HSSEAS FEC



DATE: November 3, 2011

RE: RESPONSE TO ACADEMIC SENATE - SYSTEMWIDE REVIEW APM 668 &  
APM 670

We have read the proposed revisions to APM 668 and APM 670 and have the following comments:

We have no comment on the specific text used. However, with regard to APM 668, we wish to be on record as raising the issue of fairness to faculty who do not have grants to charge.



Dear Jaime -

The DGSOM FEC discussed these APM revisions at our meeting last night, November 2nd, and the Committee asked that the following feedback be communicated to you and the Senate leadership.

**With regard to APM 670**, it became apparent that many of the good qualities of the original version were being clarified, and the FEC was supportive of these improvements, and especially appreciated the table comparing the old and proposed texts. Further, it was reassuring to see that the feedback from the stakeholders had led to many of these modifications.

One potentially-concerning issue dealt with an apparent cap on the Outside Professional Earnings with an approval threshold of \$40,000 or 20% of the HPCP salary (page 29 and 30 of the clean copy of the APM). The FEC would benefit from clarification on which component of the salary this cap applies to: X, X', or Y, or some combination thereof. Additionally, concern was expressed regarding the limited earnings potential for faculty who work within the 21 day maximum but who might be compensated generously for highly-specific activities during that time. One example included a potential Nobel laureate who might command relatively large honoraria for a speaking engagement and whose activities might reach the threshold with one or two talks, well within the 21 day limit and without presenting a worrisome conflict of commitment or interest issue. The Committee noted that such lectures are of great benefit to the visibility and stature of the Institution, and as such, a threshold would seem to be counterproductive.

In fact, the University has recognized that recruitment and retention of outstanding faculty requires appropriate financial recompense, including innovative approaches to such funding as have been recommended in the new APM 668, discussed below.

Our recommendation would be to focus on the conflict of commitment issues, as addressed with the 21 day limitation, and allow flexibility as to the amounts of compensation that may be linked to activities pursued within that time frame.

**With regard to APM 668**, as mentioned above, the Committee was supportive of permitting multiple sources of salary support, including through non-state funded mechanisms. As is clear, the UC system Medical Centers have used this approach successfully for many years. However, the Committee noted that care must be taken to avoid a "slippery slope" condition with eventual lack of funding from state sources, as non-state monies might be substituted for state support. This could change the character of the University from one with a public mission to more of a private university model.

**With regard to APMs 200 and 205**, the Committee was supportive of these proposed changes, as many members reflected on the great value of recalled faculty for teaching, research, clinical, and administrative help for departments, enabling active faculty to pursue forward-looking

activities to build the future of the University. The Committee noted the 43% cap, with the understanding that this was for health insurance reasons.

The Committee, Chair, and Vice-Chair of the DGSOM FEC appreciate the opportunity to vet and comment upon these important changes in UC policy.

Sincerely,

Ian A. Cook, M.D.  
Chair, DGSOM FEC

Jonathan S. Jahr, M.D.  
Vice-Chair, DGSOM FEC

UNIVERSITY OF CALIFORNIA, LOS ANGELES

UCLA

BERKELEY • DAVIS • IRVINE • LOS ANGELES • RIVERSIDE • SAN DIEGO • SAN FRANCISCO



SANTA BARBARA • SANTA CRUZ

FACULTY EXECUTIVE COMMITTEE  
UCLA SCHOOL OF PUBLIC HEALTH  
10960 WILSHIRE BLVD #1550  
LOS ANGELES, CA 90024  
TELEPHONE: (310) 794-0910  
EMAIL: SWallace@UCLA.EDU

October 14, 2011

TO: Executive Committee, UCLA Academic Senate

FROM: Steven P. Wallace, PhD  
Chair, UCLA School of Public Health  
Faculty Executive Committee

A handwritten signature in blue ink that reads 'Steven P. Wallace'.

RE: Various APM Revisions (September 19, 2011 email)

Thank you for soliciting our input on the proposed revisions to APM sections 200, 205, 668, and 670. Given the work that the School of Public Health has done in the past on trying to develop its own compensation plan based loosely on the School of Medicine plan, we were especially interested in APM 668 which would formalize a compensation plan for all units.

We considered each of the three sets of proposals and unanimously (7-0-0) voted to endorse each of the sets of proposed changes.



# Memorandum

## Faculty Executive Committee, School of Theater Film and Television

November 9, 2011

Andrew Leuchter, Chair, Academic Senate

Dear Andrew,

Below are the responses from the Faculty Executive Committee of the School of Theater, Film and Television for the five review items we have recently received.

### **Item #1 - Review of New APM 668, Negotiated Salary Program**

After extensive dialog the committee opposes the implementation of the proposed "Negotiated Salary Program". The committee expressed the following concerns:

- 1) That the NSP policy/program weakens the central administration responsibility to provide fair and appropriate salary for its entire faculty.
- 2) That the NSP policy/program has the potential to create large disparities between "marketable" and "non-marketable" disciplines.
- 3) That the NSP policy/program would generate additional burdens on academic departments because of the required one/two year commitment stipulation.
- 4) Confusion about the mechanism by which Chairs would engage in "NSP negotiations" and approve "NSP proposals".
- 5) Confusion about the potential use of "Professional Fees" for NSP.

**Motion:** We applaud and appreciate the President's and Chancellors' efforts to increase salaries for faculty across the board. However, we do not endorse this proposal to increase compensation through resources that the faculty themselves are required to earn or secure for the school.

**The motion passed. The vote was unanimous.**

### **Item #2 – Review of New APM 670, Health Sciences Compensation Program**

The faculty found the proposed APM discipline-specific and decided to abstain from responding.

**Motion:** To abstain from responding.

**The motion passed unanimously.**

### **Item #3 – Analysis of UC Pay Equity by Sex and Among Men, Ethnicity 2009-2010**

The committee reviewed the data and conclusions of the study conducted by Professor Pauline Yahr.

**Motion:** To encourage the university to continue to understand the dynamics according to ethnicity and gender and to take actions to bring fair and equal levels of pay for its entire faculty.

**The motion passed unanimously**

### **Item #4 – Revision by UCEP to Senate Regulation 610 addressing “Residency”**

The committee reviewed the proposed policy clarification and new policy language.

**Motion:** To endorse the policy revisions as written.

**The motion passed unanimously**

### **Item #5 – BOARS Policy on Transfer Admissions**

The committee had an extensive dialog regarding the proposed policy. Concerns were expressed about the potential student pool limiting factor of the proposal. The committee also felt that the proposal does not generally apply to the fields of study in our School. Yet, generally it was seen as a positive step for the University.

**Motion:** To endorse the proposed BOARS policy as a mechanism to more effectively bridge the transfer process and to facilitate graduation in the appropriate time.

**The motion passed unanimously**

Sincerely,

Fabian Wagmister  
*Associate Professor, Department of Film, Television and Digital Media  
FEC Chair, School of Theater, Film and Television*

UNIVERSITY OF CALIFORNIA, LOS ANGELES

UCLA

BERKELEY • DAVIS • IRVINE • LOS ANGELES • RIVERSIDE • SAN DIEGO • SAN FRANCISCO



SANTA BARBARA • SANTA CRUZ

Graduate School of Education & Information Studies  
P.O. Box 951521  
Los Angeles, CA 90095-1521  
sandoval@gseis.ucla.edu  
(310) 794-5431

November 10, 2011

Susan L. Carlson  
Vice Provost, Academic Personnel  
Office of the President  
1111 Franklin St, 11<sup>th</sup> Floor  
Oakland, CA 94607-5200

Dear Vice Provost Carlson,

The faculty of the Graduate School of Education & Information Studies write in response to the proposed new policy APM 668 – Negotiated Salary Program. We have considered the proposed policy in detail at our faculty executive committee meeting on October 13, 2011 and a meeting of the full school faculty on October 27, 2011.

The GSE&IS faculty overwhelmingly oppose the proposed policy APM 668. The policy is unlikely to meet its stated goals, while leading to considerable inequities in compensation between campus units, and dramatically increasing the burden on an already overworked, understaffed administration. Moreover, we hold as a basic value of the University the obligation to protect and promote the common good, not just of our campus community but the communities we serve. APM – 668 renounces that core value and replaces it with a competitive self-interest that is completely at odds with the mission of an institution of public education.

APM 668 is an ill-considered step toward increasing privatization of the University, absolving the state of its responsibility to support the institution in the name of entrepreneurship. The proposed policy is unlikely to meet its stated goal of increasing the University's ability to recruit and retain the best faculty. Faculty interested in negotiating their compensation upward will continue to use outside offers as leverage to make the best deals. Moreover, this step toward privatization is highly likely to have a negative effect on our research, teaching, service, and community values. Research agendas and teaching programs will be evaluated for their monetary rather than social value.

The proposed policy will only exacerbate salary inequities within and across campus units. The proposed policy disregards disciplinary and cultural differences between units that constrain access to external fund sources. This will increase existing salary inequities between units. Within units, this differential access to external funds holds, thus the proposed policy will increase salary disparities on the basis of access, not necessarily merit. The proposed APM 668

has no provisions for ameliorating such inequities, or incentives for faculty to protect and promote the common good. The policy would push units toward self-supporting academic programs, but many units do not draw on student populations for which self-supporting programs are a realistic revenue source.

APM 668 would demand an extraordinary burden of administrative oversight. Organizing the review and negotiation of salary contracts every year or two requires considerable administrative effort to manage and document. At the same time, within a negotiated term faculty circumstances could change such that service or teaching commitments require re-negotiation. This requires considerable oversight from department chairs to monitor contracts and to distribute service obligations within a unit equitably and with accountability.

We are greatly concerned that APM 668 could mark the beginning of a radical shift toward very low base salaries for faculty, under the assumption that self-generated salary will make up the difference. This would be disastrous for academic units with little access to resources for generating revenue, and would fundamentally alter the values and mission of the University. APM 668 is a short-sighted response to California's current economic conditions, a response that lets the state off the hook from its commitment to the University as an institution for the public good. The faculty of GSE&IS are strongly opposed to the negotiated salary program proposed in APM 668.

Sincerely,

A handwritten signature in black ink that reads "William A. Sandoval". The signature is written in a cursive, flowing style.

William A. Sandoval, Ph.D.

GSE&IS Faculty Chair, 2011-12

Associate Professor, Division Head, Psychological Studies in Education



OFFICE OF THE ACADEMIC SENATE  
SUSAN AMUSSEN, CHAIR  
[samussen@ucmerced.edu](mailto:samusen@ucmerced.edu)

UNIVERSITY OF CALIFORNIA, MERCED  
5200 NORTH LAKE ROAD  
MERCED, CA 95343  
(209) 228-7954; fax (209) 228-7955

December 5, 2011

**TO: SYSTEMWIDE ACADEMIC SENATE CHAIR ROBERT ANDERSON**

**RE: APM 668**

Three committees – CAP, CAPRA, and Faculty Welfare, opined on the proposed APM 668 policy.

All three committees supported the general goal of finding better ways to compensate faculty and improve faculty retention. However, each committee had some reservations about the policy as currently structured. These reservations fell into several broad categories:

1. Differentiation within and between disciplines. As Faculty Welfare noted, not all forms of outstanding accomplishment generate outside funding for the university, but it is only those activities which are covered by APM 668. Thus some kinds of faculty achievement are considered worthy of supplemental compensation. Contrary to the stated goal, the benefits of APM 668 are not equally available to all campus faculty. Furthermore, as CAPRA noted, senior faculty are better able to raise such funds than junior faculty, thus further increasing disparities within disciplines.
2. A related concern expressed by FW and CAPRA was that APM 668's focus on encouraging an "entrepreneurial spirit" is at odds with the university mission of public service. It puts a premium on one sort of activity at the expense of others.
3. CAP expressed some concern that the use of non-state funds for salary supplements would diminish the support available to graduate students from external grants.
4. Both CAPRA and Faculty Welfare expressed concerns about the ways in which the policy takes issues of faculty merit away from the shared governance process into an administrative one. Faculty Welfare noted the absence of peer review in the judgments of contribution to the University's mission; in the words of the committee's response, "Rather than improving on the current model of off-scale negotiations, the NSP would instead institutionalize a non-uniform and non-transparent method of additional compensation that relies heavily on the judgment of administrators." CAPRA was also concerned about the ambiguous definition of "good standing".



5. CAPRA expressed concern the NSP would diminish pressure to improve the salary scales for all faculty.
6. Finally, Faculty Welfare expressed concern that because IDC is below the actual indirect costs of the university, the NSP's reliance on outside grants for salary supplements would increase pressure on general campus budgets.

There was a minority feeling on CAPRA that these issues were more issues of implementation than practice, and that there were practical solutions to them. As the committee noted, many other universities have similar policies in market sensitive areas.

When the Divisional Council discussed the policy and the committee responses, at its meeting on November 21, we agreed with all the committees which had opined that there is a need to address the salary question, and that addressing salary issues is vital to faculty retention. We all know that the current salary scales are below market rates; finding a way to raise salaries is undoubtedly a goal all faculty share. A majority of the Divisional Council, however, did not believe that the draft APM 668 is the best way to accomplish that. The policy lacks transparent criteria, and appropriate forms of peer review, that would ensure it is in fact equitable. Furthermore, it is not a policy to reward outstanding faculty accomplishment, but only outstanding faculty accomplishment that receives external funding. While some have suggested that not many people will be affected, we are concerned that in addressing the needs of this select group, wider salary and equity issues will go unaddressed, and that there is a danger that equity issues will be exacerbated.

A minority of the Divisional Council, however, strongly disagreed, and argued that the benefits of this policy would greatly outweigh the problems. They believe it is vitally important that we have a way for faculty to augment their salaries.

Sincerely,



Susan Amussen  
Chair

cc: Divisional Council



CHAIR, ACADEMIC SENATE  
RIVERSIDE DIVISION  
UNIVERSITY OFFICE BUILDING, RM 225

MARY GAUVAIN  
PROFESSOR OF PSYCHOLOGY  
RIVERSIDE, CA 92521-0217  
TEL: (951) 827-5538  
E-MAIL: [MARY.GAUVAIN@UCR.EDU](mailto:MARY.GAUVAIN@UCR.EDU)  
SENATE@UCR.EDU

November 17, 2011

Robert Anderson  
Professor of Economics and Mathematics  
UC Systemwide Academic Senate  
1111 Franklin Street, 12th Floor  
Oakland, CA 94607

Dear Bob:

**RE: SYSTEMWIDE REVIEW OF PROPOSED NEW POLICY – APM 668 – NEGOTIATED SALARY PROGRAM**

In response to your request, the UCR Senate Committees on Academic Personnel, Diversity and Equal Opportunity, Faculty Welfare, and Planning and Budget, and the Executive Committees of the Colleges reviewed and commented on the proposed policy, APM-668, the Negotiated Salary Program. The Executive Council also discussed the proposal. The individual responses from the committees are attached and a summary of these comments and the Executive Council discussion appear below.

**UCR Review Summary:**

We see merit in initiatives from the Office of the President to devise ways to increase faculty salaries to competitive levels that may aid in faculty recruitment and retention as well as provide an incentive for faculty in obtaining extramural funds. However, we have several serious concerns about this proposed program that need to be addressed before it would meet our approval.

- 1. Public impression:** If the faculty at large is seen by the state as willing and able to fund part of their own academic year salaries, this action may have the negative, unintended consequence of lowering state support for the UC because less state money will be deemed necessary to support ladder-rank faculty.
- 2. Conflicting areas of support:** There is substantial concern that the funds used to increase salaries will be taken from areas that are vital to the research mission, e.g. if the funds are diverted from support for graduate students and postdoctoral researchers the process will negatively impact research productivity along with the integration of teaching and research that is critical to the UC. On this point, the proposed program may create a conflict of interest for faculty in terms of increasing their own salary versus supporting the student researchers with whom they work. To some extent this conflict of interest may be self-correcting (or self-

defeating) in that with less support for graduate students, research productivity will decline, which, in turn, will decrease the likelihood of subsequent extramural awards.

3. **Negotiation process in the department:** It is unclear how the negotiation process at the departmental level will occur and whether there will be consequences for departmental functioning and morale. The proposed plan will change the faculty-department chair relationship by putting direct control over some portion of faculty salary in the hands of the chair. A faculty advisory committee in the department that oversees the process, as is the case with the HSCP, should be written into the proposed policy. Also, the need for an annual review of the negotiation puts additional burden on the department personnel process.
4. **Campus disparities:** Access to eligible funds would make the program open to some faculty and not to others in a way that does not reflect the merit of the scholarship. As a result, disparities in salary will increasingly reflect the regulations and practices of governmental agencies rather than academic quality, which is the linchpin of the UC merit and promotion process. This issue is especially problematic given current disparities in salary among UC faculty, disparities that reflect status characteristics (as documented in the recent UC Pay Equity Report), market differences across the disciplines, and the availability of extramural support. The proposed plan would more than likely exacerbate these disparities, resulting in a less equitable and stable workplace and lower campus morale.
5. **Role of the Senate:** There is nothing in the proposed policy that discusses the role of the Academic Senate. How will the Senate participate in the implementation of this plan on a campus?
6. **Use of contingency funds:** There are no guiding principles regarding the use of the contingency funds. In addition, there is concern that these funds will be used by either the department chairs or the deans in ways that do not advance the academic research mission of the units from which the funds emerge.
7. **Long-range consequences.** The proposed program is an offspring of the HSCP; therefore, it is important to examine how the HSCP has been implemented. It is especially important to recognize that the HSCP, which was originally intended to increase faculty salary for competitive purposes, has resulted in the expectation that health sciences faculty will, on a regular basis, pay a portion of their academic year salary. It is also not clear if the plan will be used to create split FTE appointments, a practice that occurs in the health sciences schools and that challenges issues of tenure and security of employment.

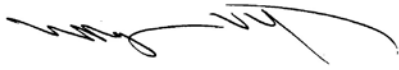
Sincerely yours,

Mary Gauvain  
Professor of Psychology and Chair of the Riverside Division

CC: Martha Kendall Winnacker, Executive Director of the Academic Senate  
Sellyna Ehlers, Director of UCR Academic Senate office

November 3, 2011

To: Mary Gauvain  
Chair, Riverside Division Academic Senate

From:   
Marylynn V. Yates  
Co-Chair, Committee on Academic Personnel

Re: Comments on proposed new policy – APM 668 – Negotiated Salary Program

CAP discussed the proposed new policy – APM 668 – Negotiated Salary Program on October 12, 2011. As stated in the background material, “The Negotiated Salary Program (NSP) is designed to be one of several efforts through which the University maintains its competitiveness in general campus faculty compensation.” CAP concurs that mechanisms to increase faculty salaries to competitive levels is important in our efforts to recruit excellent new faculty and to retain existing faculty. In our review of the proposed policy, we found a number of potential positive aspects, as well as several negative ones.

Potential positive aspects:

- The NSP is a mechanism that could make UC salaries more competitive in a very short period of time
- The NSP may help to retain faculty
- The additional salary is not included in the UC Retirement Plan calculations
- Faculty must be in “good standing” to obtain the NSP dimension
- The NSP dimension to the salary will be reevaluated each year (or every two years)

Potential negative aspects:

- As the extra salary will come from an external source, funds that might have been used to support graduate students, postdoctoral researchers, etc. may be diverted to faculty salary, affecting the research mission of the University
- The NSP will likely result in greater disparities between the sciences/engineering and the humanities/arts, due to the relative availability of external funds. It will also create disparities within units, e.g., between faculty whose research allows them access to certain types of funds that could be used for salary
- The new and continued salary negotiation power appears to be given to the Departmental Chair. This will have unforeseen ramifications on morale, etc., and changes the long-standing UC model of having Department *Chairs* closer to having Department *Heads*. It will also have impacts on the nature of the relationship between the Dean and the faculty members in her/his unit.
- The NSP will place the additional burden of re-evaluating this component of the salary each year by Chair, Dean, CAP, etc.

- It is not clear what the role of CAP will be in the process. Presumably, CAP will be important in determining the “good standing” – but CAP can’t realistically evaluate the faculty in the NSP each year.
- The definition of “good standing” in APM668-4 c) is very vague, and needs to be clarified.

Overall, CAP felt that there are a number of critical issues that needs to be resolved before this proposal can move forward in the review process.

 UNIVERSITY OF CALIFORNIA  
**UCRIVERSIDE** | *Academic  
Senate*  
**COMMITTEE ON FACULTY WELFARE**

November 4, 2011

To: Mary Gauvain, Chair  
Riverside Division of the Academic Senate

From: Irving Hendrick, Chair  
Committee on Faculty Welfare

**Re: Systemwide Review of APM 668**

Although the Committee appreciates the need for action to improve the serious competitive decline of University faculty salaries, we are not persuaded that this proposed adaptation of the Health Sciences Compensation Plan (APM 670) is in the best interest of the University faculty generally. The current proposal adds another compromising dimension to a merit based University salary structure that in large measure is the basis for the University's strong reputation of long standing. When date of hire (off-scale salaries) and entrepreneurial skill (negotiated salaries) are taken together, the merit based system of compensation based on scholarly achievement is compromised.

Clearly, the proposed policy provides for maximum flexibility among campuses, flexibility between colleges and schools on a given campus, and even flexibility between "units" within schools and colleges. While the program is represented as providing a common administrative framework, the net result arguably features a fragmentation of decision making and quite likely a variety of unknown secondary outcomes. A system that attempts to maintain a common salary scale, an off-scale salary program administered in various ways, a diverse "unit" based negotiated salary policy, plus various approval plans for summer salary, pretty much defines a system lacking in cohesion. Within the sciences, it appears that research funding from some government agencies could be used to augment salaries, while a similar research grant from a different government agency could not be so applied. This condition would be independent of the quality of the research or the merit of the investigator. Before a negotiated salary policy is in place at UCR, the collective components for all units must be evaluated by a special Academic Senate committee.

We appreciate that Health Science schools require a significant presence of clinical practice and that this practice requires campuses with health sciences programs to provide a negotiated salary plan. That said, the desirability of extending the policy to letters, arts, and sciences, and even to some other professional schools, is less than clear to us. Faculty with knowledge and skills with market appeal have long been able to engage in limited consulting activity to augment their incomes outside of the University's merit based salary framework. The Committee remains skeptical that the broader interests of the University's quality and reputation would be well served by the proposed Negotiated Salary Program.

November 7, 2011

TO: MARY GAUVAIN, CHAIR  
RIVERSIDE DIVISION

FM: UMAR MOHIDEEN, CHAIR  
PLANNING AND BUDGET

**RE: SYSTEMWIDE REVIEW OF PROPOSED NEW POLICY – APM 668 –  
NEGOTIATED SALARY PROGRAM**

The committee on Planning and Budget (CPB) discussed the draft of the new Negotiated Salary Program APM 668. Many questions regarding the implementation of the APM were raised. One concern was regarding the opportunity to raise a larger fraction of the salary from grants and the impact of this on teaching time and quality. A second was the larger role allocated to department Chairs and Deans in the negotiation process. Here, the committee urges that the modifications be made to APM 668 such that the Committee of Academic Personnel be allowed to play its traditional role in recognizing and rewarding meritorious faculty performance. A third concern was that the APM 668 might exacerbate the salary gap between Health Science, Engineering and Business school faculty and the rest of the campus. The committee understands the motivations for the new policy of (a) codifying ongoing negotiated salaries in the Health Science and Business schools, (b) faculty retention and competitive salaries without use of state funds, and (c) bringing about equalization of compensation between the Life Science faculty in the Colleges of Science and Health Science faculty in the Medical Schools. Nevertheless, any implementation of APM 668 should be done in accomodation with the traditional steps in merit advancement that are presently followed.



Date: October 28, 2011

To: Mary Gauvain  
Chair of the Academic Senate  
University of California, Riverside

From: Jay A. Farrell  
Chair of the Faculty  
Bourns College of Engineering  
University of California, Riverside

RE: Negotiated Salary

The BCOE Executive Council discussed proposed Academic Personnel Policy 668, Negotiated Salary Program, at its meeting today. On the positive side, the proposal would provide a new mechanism to incentivize faculty to help bring additional financial resources to the UC campuses. However, it also raises various concerns:

- It implies the apparent expectation that faculty should fund their academic year salary. This could negatively affect state support for academic year salaries.
- It raises at least the appearance of a conflict-of-interest between faculty increasing their salary and funding graduate students.
- As the program does include a contingency fund and salary to be increased based on expectations, it allows new opportunities for abuse.

The program would require strong oversight.

- That oversight should start at the UCOP or campus level with a clear statement of expectations: "Prior to negotiating a salary increase, a faculty member must (i) supervise and fund N PhD students, or ...." This is to ensure that the preferred activities are being incentivized.
- The campus level contingency fund is potentially problematic. By definition, it will be used to cover miscalculations and therefore is a backwards incentive. It should be maintained as close to the faculty level as possible.
- Ideally, a faculty member's salary increase would be funded from their own built up contingency fund, not from expected future funding.



November 4, 2011

TO: MARY GAUVAIN, CHAIR  
RIVERSIDE DIVISION

FR: MICHAEL J. OROSCO, CHAIR  
COMMITTEE ON DIVERSITY AND EQUAL OPPORTUNITY

RE: APM-668, NEGOTIATED SALARY PROGRAM

The Committee met on October 26, 2011 to discuss APM-668. The committee recognizes the steering committee's recommendation that an additional compensation plan is needed to maintain university competitiveness in general faculty compensation. However, at this point it is difficult for the committee to determine how this will impact the university's commitment on diversity and equal opportunity. Further research should be conducted to determine if an additional compensation plan would be appropriate and beneficial to all.



ACADEMIC SENATE  
Santa Barbara Division  
1233 Girvetz Hall  
Santa Barbara, CA 93106-3050

senate.reception@senate.ucsb.edu  
(805) 893-2885  
<http://www.senate.ucsb.edu>

Henning Bohn, Chair  
Deborah Karoff, Executive Director

December 5, 2011

Robert Anderson, Chair  
Academic Senate

RE: APM 668-Negotiated Salary Program

Dear Bob,

Given the potential impact of the proposed APM 668-Negotiated Salary Programs, the UCSB Division conducted a very broad consultation with the following groups: Committee on Academic Personnel (CAP), Council on Planning and Budget (CPB), Council on Research and Instructional Resources (CRIR), Graduate Council (GC), Undergraduate Council (UgC), and the Faculty Executive Committees of the College of Letters and Science, College of Engineering, and the College of Creative Studies. All of the reviewing groups have deep concerns about the impacts of the proposal and are unanimously opposed to its implementation, as proposed. The Faculty Executive Committee of the College of Engineering expressed support in principle along with deep concerns.

All reviewing groups recognize and are greatly concerned about the lagging salaries of UC faculty. Nonetheless, this proposal is based on the medical school business model and most of UC operates under a completely different merit and compensation structure that in no way resembles that of the medical schools. The proposed APM 668 would only serve to destabilize that structure and there is no reason to believe that it would be successful in retaining faculty. The underlying premise of APM 668 that UC will not pay competitive salaries except to faculty members who raise their own outside funds is deeply disturbing and demoralizing. A model of professorship driven by personal fundraising undermines the established model of education and creates significant ethical problems that are currently prohibited by the limits on faculty contracting and consultation. There are several aspects of the proposal that are problematic and several reviewing groups provided an analysis of the major problem areas.

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

While there may be an advantage in providing more flexibility to entrepreneurial faculty, UC should consider very carefully the unintended consequences that may attend the Negotiated Salary Program (NSP). 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. 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. This situation is likely to breed resentment across disciplines on each campus and within the system itself.

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

In determining off-scale salaries, UC strives to match reward with merit. As the NSP proposal notes, roughly two-thirds of the UC faculty carry off-scale salary. While some of these off-scale supplements are the result of successful recruitment and retention efforts, many of the supplements have been awarded in recognition of exceptional work undertaken during a specific review period. The NSP proposal seriously misrepresents UC's academic personnel review processes when it describes the distribution of off-scale as "reactionary, non-uniform, expensive and sometimes counter-productive" (2). The proposal's description of off-scale salary has the effect of undermining the academic personnel review of faculty merit, and in the process opens the door for a "get what you can" market Darwinism. Many of our faculty are drawn to UC exactly because it follows a rational, equitable and relatively transparent merit-based personnel system. The NSP undermines this system for the benefit of what it estimates to be a few hundred faculty system-wide. In so doing, 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. 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**

Time is a zero-sum game; faculty that put more time into procuring external support for their individual benefit will predictably spend less time on teaching and other activities, including fundraising that immediately benefits programs and other UC constituencies. By the same token, it is reasonable to expect that more in the way of regular duties will need to be absorbed by the faculty who are not participating in the NSP. At a time when the vast majority of (non-participating) faculty are being asked to make sacrifices and to do more with less, in the name of the institution, the proposed program would substantially reward faculty for thinking about their own benefit first and foremost. In addition, the NSP may encourage faculty to divert their efforts toward fundraising opportunities with compliant agencies, with potentially harmful impacts on existing research initiatives supported by non-compliant agencies.

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

The NSP will likely have a very strong impact on the academic culture of the university. Many faculty never had a desire to work at a private institution because it is imperative at such institutions to raise a lot of funds to cover a certain fraction of salary. Many of our colleagues have been more interested in the scholarly aspects of the job than in the prospects of money-raising for individual benefit. Of course, the NSP program is optional, but the key is that the culture could easily change to the point where the dominant logic becomes "our salaries are low but it is OK because we can make it up through the NSP." In such a situation, we may find that all of a sudden the NSP becomes the expectation rather than the exception.

### **Difficulties with "Good Standing"**

The NSP proposal suggests that CAP review and make recommendations regarding the proposed NSP contracts. In this regard, CAP would help ensure that only faculty in "good standing" are allowed to participate. Presumably, faculty who have been regularly advanced within UC's personnel system would be in good standing. More difficult CAP work might attend subsequent reviews, either of additional NSP contracts or of standard academic personnel actions, if in fact a candidate's entrepreneurial efforts had come at the expense of other work held at a premium by UC reviewing agencies (e.g., effective mentoring, excellent teaching, university service). In this regard, CAP underscores that participation in the NSP will not allow faculty to be excused from their standard teaching, research, professional activities and service.

### **Altering the Ecology of External Salary Options**

The faculty already have mechanisms that may be used to augment their salaries, including summer-ninth salary supplements and consulting arrangements. The NSP proposal does not adequately explore how adding a new item to this salary augmentation tool box might impact the campuses and their cultures. For example, if faculty are given the option of shifting their salary augmentation from the summer to the regular academic year, will this in turn allow them to commit to work in industry or at a national lab during the summer, work that would draw them away from their campuses? Overall, the proposal does not explore how the NSP would be articulated with the existing salary augmentation mechanisms, nor how those existing mechanisms might be revised to address the issues prompting the NSP proposal in the first place.

The one concern that is most germane to CRIR is that this proposed program blurs the line between outside consulting activity by faculty and UC research. Currently, a consulting contract compensates faculty for independent activity outside of UC teaching and research, without a UC research project and without peer review. The APM 668 program is a way to circumvent consulting policies and make use of UC resources that would otherwise not be available for consulting. Under current policies, consulting is limited to 25% time but there appears to be no stated limits on the amount of time or money a faculty member can obtain under the proposal for APM 668. Under the proposed structure, the deans and chairs are under no obligation to evaluate the salary augmentation requests in relation to the impacts on teaching, research, advising and faculty workloads.

There is the potential for significant conflicts of interest in many areas, and since there is no structure defining conflict of interest under this proposal, many serious questions arise. Who would own the work produced under the negotiated salary? How could a faculty member negotiate salary without committing UC resources, graduate students, staff and equipment? Is it legitimate research or contracted research for an outside agency or foundation? How are copyrights affected? It appears that the proposal raises legal questions and issues that have not been fully explored.

### **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, given the resentment that the program is likely to breed, within departments and across campuses, the NSP may well lead to more difficulties maintaining and recruiting faculty committed to the institution.

### **Inequity built into the “Pay-to Play” model**

The proposal includes a 3% “tax” to be applied to all NSP participants. This tax would create a pool of money to help cover emergency situations (e.g., if a faculty member could not meet contract obligations due to illness). By asking all of the participants to pay a flat tax based on state salary, no distinction is made for differences in the degree of risk that may vary among NSP contract holders. One contract holder may stand to earn an extra \$35,000, another an extra \$5,000 and the two faculty are essentially being asked to pay the same insurance premium. This situation will place a heavier burden on disciplines in which grants and other external funds are traditionally less abundant. In general, faculty in the humanities and the social sciences could expect to be disproportionately taxed in this pay-to-play scheme, making this aspect of the proposal yet another contributor to inequities among the faculty.

### **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. In the current economic climate, such a shift would have devastating effects. Ultimately, these effects could undermine a crucial aspect of UC’s research and teaching infrastructure. Any redirection of grant funds toward faculty salaries will reduce the availability of funding for graduate student researchers, which is unacceptable. 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.

### **Politically undermining the UC/Lack of Transparency**

As a public institution, UC salaries are a matter of public record and are available for review by UC employees, the legislature and the rest of California. This proposal undercuts that transparency, blurs the boundaries of public and private funding and undermines the public trust. APM 668 makes no mention of the cost required to pay the retirement contribution on the negotiated salary proposed by this program. It is unclear if the State will support the retirement contribution plan in this instance, and the proposal completely fails to address this crucial issue. One must be concerned that State taxpayers and legislators will oppose retirement benefits based on UC salary funds that resemble consulting fees. At a time when the UC is working to convey its primary importance to the economic and intellectual well-being of the State and its citizenry, adopting APM 668 will assuredly shake public confidence in the UC system and the importance of supporting it financially.

### **Agency reactions and legal issues**

The likely sources for this type of funding would be foundations and gifts from corporations. We do not believe that a negotiated salary agreement could be made with NSF or Federal agency funds, based on agency restrictions. It is unclear whether faculty who receive these negotiated funds elsewhere may include them as part of the basis for the annual salary on which NSF pays summer salary. It is unlikely that any federal agency would accept this, and it would need to be disclosed to agencies if it were contemplated.

It appears that the Negotiated Salary Program essentially designates the individual who gains the most from the funds to negotiate the amounts. The faculty member would be at the table negotiating on her/his own behalf using UC's reputation, name and resources, but pocketing the all of the funds. Graduate student reputations and interests will also be used to increase funding but the graduate student has no assurances that she/he will receive anything. This opens the door to serious conflict of interest issues.

We have concerns about what corporations would ask or expect in return, and what the potential might be for misuse or the appearance of research misconduct. This would be difficult to monitor and an incident of misuse would harm the standing of the UC in university associations and in credit ratings, particularly in cases where faculty take salary funds from corporations. How could this be monitored? The mere *use* of a salary payment scheme will likely affect the UC's standing.

### **Circumvents Indirect Costs or Administration Fees paid by corporations, foundations, and gifts**

IDC is not discussed on the proposal but there is no reason to assume that any funds would be designated for IDC on the basis of the plan. Current IDC funding poses budget problems for the UC based on funding agency contributions, and thus APM 668 would simply exacerbate current costs to the university. In the current economic climate, the loss of additional IDC funds through the Negotiated Salary Program sets a very poor example and a bad precedent that undoubtedly will cost the university rather than create any savings.


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

Our common system for compensating academic personnel is central to the unity of the University of California as "one university." The adoption of NSPs under APM 668 on some campuses but not others would threaten the unity of the university and should not be left to the discretion of campuses. We understand that the University's auditors have expressed concerns about the legality of APM-668 under OMB Circular A-21, especially for campuses for which federal funds are effectively the only source for salary supplements.

The Negotiated Salary Program will, at best, benefit a minority of faculty but not solve any systemic problems. What is clear is that the disparity between salaries may become more pronounced among faculty, even though there may only be a small number of faculty who take advantage of such a program. Faculty will continue to look for outside offers at other institutions. Thus, it is reasonable to conclude that APM 668 *will* assure further deflation of morale and potentially discourage any substantive relief of the current problem of UC's lagging salaries in relation to other institutions. This conclusion is of deep concern to the members of the Santa Barbara Division

Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in cursive script that reads "Henning Bohn".

Henning Bohn, Chair  
UCSB Division



1156 HIGH STREET SANTA CRUZ,  
CALIFORNIA 95064

Office of the Academic Senate  
SANTA CRUZ DIVISION  
125 CLARK KERR HALL  
(831) 459 - 2086

November 18, 2011

Bob Anderson, Chair  
Academic Council

**RE: UCSC Response to APM – 668, Negotiated Salary Program**

Dear Bob,

The UC Santa Cruz Division reviewed the proposed new policy, APM-668, Additional Compensation – Negotiated Salary Program. Our Committees on Faculty Welfare (CFW), Planning and Budget (CPB), and Academic Personnel (CAP) discussed the proposed new policy, finding that at UCSC there are too few faculty members to whom this would apply. Additionally, the proposed policy runs a serious risk of undermining the single salary scale across the system.

Furthermore, the disciplines most likely to receive external grants eligible for APM-668 are the health sciences and engineering, which would give greater rise to furthering the inequity and underfunding in humanities and social science arenas which are ineligible for similar funding. This would further exacerbate pay inequity across the UC system.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan Gillman".

Susan Gillman, Chair  
Academic Senate  
Santa Cruz Division





OFFICE OF THE ACADEMIC SENATE

9500 GILMAN DRIVE  
LA JOLLA, CALIFORNIA 92093-0002  
TELEPHONE: (858) 534-3640  
FAX: (858) 534-4528

December 12, 2011

Professor Robert Anderson  
Chair, Academic Council  
University of California  
1111 Franklin Street, 12<sup>th</sup> Floor  
Oakland, California 94607-5200Subject: Proposed New Personnel Policy APM 668, Negotiated Salary Program and  
Proposed Revision to APM 670, Health Sciences Compensation Plan

Dear Bob,

The proposed new personnel policy APM 668, Negotiated Salary Program and the proposed revision to APM 670, Health Sciences Compensation Plan, were sent to the appropriate Divisional committees, and the Senate Council discussed the proposals at its December 5, 2011 meeting.

APM 668: After considerable discussion, a majority of Senate Council members endorsed the proposed new APM, noting that the new policy could give added flexibility in retention cases and that it could provide incentives to faculty members who administer their grants through non-UCSD agencies to administer their grants through UCSD. Members raised three central concerns. There were concerns about how the proposal would influence the allocation of effort of faculty members. There were concerns that the proposal would create inequities between the small subset of the faculty who could take advantage of the NSP and others. Finally, there were concerns about the implementation of the plan.

Some feared that the plan would encourage faculty members to pursue interests that were inconsistent with the mission of UC or reallocate existing funds away from graduate student or postdoctoral support. In particular, the Committee on Faculty Welfare notes that APM 668 should be revised to include a thorough delineation of which funding sources may be used for negotiated salary, a clarification of a mechanism that prevents funding from sources whose agenda may not be consistent with the mission of UC, and an explicit statement of how the negotiated salary decision will be made subject to peer review.

Reviewers and members worried that such a salary program could amplify any salary inequities between various disciplines, perhaps leading to a system in which faculty members with less external funding would be less valued. Some members expressed concern that this would distort the hiring priorities of administrators.

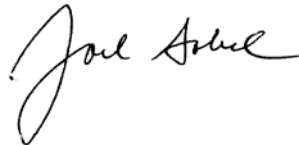
Members also commented that the proposed program, while seeming to provide flexibility to campuses for retention situations, may be limited in use to offers based on extramural funding.

Most reviewers thought that there were strong counterarguments to these concerns. External granting agencies place limitations on faculty salaries, which would require faculty members to generate additional funding in order to participate in the NSP. No one disputed the proposal's potential to create new salary inequities, but most reviewers believed that these inequities would come only if the NSP succeeded in generating more resources for the campus. Those familiar with the HSCP reassured the Council that an effective implementation plan would reduce potential inequities or misallocation of effort.

Senate Council felt that many of the above concerns must be addressed in a detailed implementation plan. All members agreed that the implementation of the salary program should be left to the discretion of individual campuses. Furthermore, the Council agreed that the policy should instruct the campus administration to consult extensively with the Divisional Senate during the development of implementation plans.

APM 670: The Committee on Faculty Welfare registered concern over the provision that allowed the Dean to appoint up to half the members of the Advisory Committee charged to assist the Dean in resolving issues dealing with the implementation of the Plan. It was also noted that faculty appeals regarding the implementation and administration of the Plan are referred to the Advisory Committee for fact-finding, which does not allow for an independent grievance process. Finally, the Committee on Faculty Welfare noted the need to clarify the "good standing" criteria and circumstances under which a faculty member could lose "good standing."

Sincerely,

A handwritten signature in cursive script, appearing to read "Joel Sobel".

Joel Sobel, Chair  
Academic Senate, San Diego Division

cc: Divisional Vice Chair Masters  
Executive Director Winnacker



University of California  
San Francisco

**Academic Senate**  
senate.ucsf.edu

**Office of the Academic Senate**  
500 Parnassus Ave, MUE 230  
San Francisco, CA 94143-0764  
Campus Box 0764  
tel: 415/476-8827  
[academic.senate@ucsf.edu](mailto:academic.senate@ucsf.edu)  
<http://senate.ucsf.edu>

Robert Newcomer, PhD, Chair  
Farid Chehab, PhD, Vice Chair  
Brad Hare, MD, Secretary  
Anne Slavotinek, MD, Parliamentarian

December 5, 2011

Robert Anderson, PhD  
Chair, Academic Council  
Academic Senate, University of California  
1111 Franklin St., 12th Floor  
Oakland, CA 94607-5200

Re: Proposed Changes to APM 670 (Health Sciences Compensation Plan) and Proposed New APM 668 (Negotiated Salary Program)

Dear Chair Anderson:

As requested, the San Francisco Division has reviewed the proposed changes to APM 670 (Health Sciences Compensation Plan or HSCP) and the proposed new APM 668 (Negotiated Salary Program or NSP). The Division review included discussion among seven committees and faculty councils including Academic Planning and Budget (APB), Academic Personnel (CAP), Faculty Welfare (CFW), and the Faculty Councils of the Schools of Dentistry (SOD FC), Medicine (SOM FC), Nursing (SON FC) and Pharmacy (SOP FC). Their responses are incorporated in the summaries below. In addition, we have reviewed the UCSF Academic Affairs responses submitted on November 18, 2011 to Susan Carlson, Vice Provost, Academic Personnel. We concur with their recommended revisions, some of which are referenced here.

#### **[Proposed Modifications to APM 670 – Health Sciences Compensation Plan \(HSCP\)](#)**

##### **Responsibility (revised APM 670-6)**

The responsibility of the Academic Senate in HSCP oversight is specified in the following sections of the revised text:

1. Revised APM 670-6 b: Review and comment by appropriate Division Academic Senate committees as part of the Chancellor's oversight of implementing and monitoring school Implementing Procedures.
2. Revised APM 670-6 c: "The President shall consult with the appropriate Academic Senate committee(s) concerning revisions of this Plan. The appropriate division of the Academic Senate and other committee(s) shall be provided the opportunity to review and comment on any proposed exceptions to school implementing Procedures which the Chancellor intends to submit to the President or President's designee for review."

The San Francisco Division supports these opportunities for Academic Senate review and comment. However, we are concerned that HSCP

faculty would not be sufficiently represented on school-specific Advisory Committees (revised APM 670-6 d) and recommends that the sentence, "No more than fifty percent of the voting members may be appointed by the Dean.", should be replaced with, "The majority of the voting members will be appointed by members of the Plan and the remainder of the members will be appointed by the Dean. All faculty series in that School's Health Sciences Compensation Plan should be represented on the Committee and all voting members of the Committee must have a faculty appointment." (in concurrence with the UCSF Academic Affairs recommendation).

Furthermore, we recommend that changes to HSCP Implementation Plans should be subject to a review and vote by the members of that specific HSCP (i.e. as administered by an individual department or school) rather than merely receiving a report from the Advisory Committee as currently described in revised APM 670-6 d 4.

#### **Good Standing Criteria (revised APM 670-10)**

Members of our Division found the following statement to be troublesome, "Reasons for loss of Good Standing might include, for example, instances of misconduct, inability to generate salary support, refusal to participate in assigned duties, failure to participate in mandatory training, loss of clinical privileges, or loss of licensure and/or credentials." Based on this sentence, faculty could potentially not be in Good Standing due to circumstances over which they have no control, despite "performing the duties assigned at the time of hire, as well as reasonable new duties assigned by the department." We do not feel that faculty should be prohibited from earning outside income if they are performing their jobs satisfactorily.

We would recommend that the "inability to generate salary support" be deleted from the above statement.

#### **Off-Scale Salaries (revised APM 670-18 a)**

In agreement with UCSF Academic Affairs, we reiterate that off-scale salaries are inconsistent with the intention of the Health Sciences Compensation Plan and recommend that revised APM 670-18 state, "Off-scale salaries are not permitted." to replace the sentence, "Generally, off-scale salaries are not awarded."

#### **Academic Programmatic Units (APU) (revised APM 670-18 b 2)**

Supporting UCSF Academic Affairs' recommendation for revised APM 670-18 b 2 b, we concur that the minimum number of members of an Academic Program Unit should be three instead of five. This will help smaller departments at UCSF which have fewer than ten faculty members.

In revised APM 670-18 b 2 d, we recommend removing the word "typically" so that the final sentence states "An APU moves down no more than one scale at a time."

#### **Categories of Income from Occasional Outside Activities Which May Be Retained (revised APM 670-19 b)**

We recommend that the schools and/or departments should have flexibility to allow their faculty to engage in outside activities to maintain professional licensure and/or accreditation. By definition, those activities will coincide with the expertise for which they are employed at the University of California. Not all skills may be practiced within the UC System and may need to be maintained in contexts outside the University of California. We recommend that department chairs have the authority to approve external professional employment agreements, as necessary, and that all such agreements be subject to review by the Dean of the school.

The School of Nursing Faculty Council recommends adding the following language as APM 670-19 b 7: "Through an agreement between the faculty member and department chair (approved by the Dean) which permits no greater than x hours [to be set by the most restrictive of credentialing requirements] of clinical practice outside of the University setting. In no case will Plan participants be allowed to retain income from patient care activities outside of these agreements."

In addition, we recommend that HSCP faculty who are employed at less than 100%, individual schools and/or departments should be allowed to determine the types of activities in which their faculty members may engage outside UC.

### **Compensation Limit on Occasional Outside Professional Activities (revised APM 670 Appendix B 3 d 2)**

We support raising the compensation limit to \$40,000 per year, but do not support the alternate limit of 20% of an individual's HSCP salary scale per year, in agreement with UCSF Academic Affairs. We recommend the removal of the phrase, "... or 20 percent of the Health Sciences Compensation Plan Salary Scale for an individual faculty member's rank, step and APU, whichever is greater."

At UCSF, there has been some confusion and inconsistency regarding the treatment of the income that falls within the compensation limit for outside professional activities. We therefore recommend that APM 670 Appendix B include a specific statement that the faculty member "is entitled to keep the entire amount of this compensation up to the stated limit without Dean or Department taxes".

We support adjusting the approval threshold in accordance with the California Consumer Price Index. However, "adjusting for inflation on a periodic basis" could be left open for interpretation about how long the period should be. We recommend that the period should be four years and that the phrase "on a periodic basis" should be replaced with "every four years".

Furthermore, we understand that in the future Appendix B may be removed from revised APM 670 and added to APM 025. We support a revision of APM 025 and concur with our UCSF Academic Affairs colleagues that until APM 025 is revised, the text currently in revised APM 670 should remain.

### **Proposed New APM 668 – Negotiated Salary Program**

The Division supports the creation of a Negotiated Salary Program for faculty appointed outside of Health Sciences Schools with the caveat that the proposed language should be revised to specify that the NSP would *not* be available for faculty whose primary appointment is in a Health Science School, whether they are HSCP members or not.

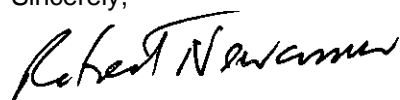
Furthermore, the footnote on the first page of the supporting document says "General Campus faculty refers to faculty who are *not in the Health Sciences* and not covered by the University's Health Sciences Compensation Plan." We agree with UCSF Academic Affairs that this should be revised to reflect that some departments at UCSF (e.g. Biochemistry) are in a Health Sciences School, even though on most UC campuses this would not be considered a "Health Sciences" department.

We recommend that all NSP provisions should be equitable with those of the Health Sciences Compensation Plan, providing no more or fewer benefits for different groups of faculty across the UC System. For example, if the University establishes an Employer/Employee matching contribution to the Defined Contribution Program for NSP faculty, it should also be extended to HSCP faculty.

Finally, we reiterate the correction noted by UCSF Academic Affairs, for the response for Question 6 of the supporting document. It incorrectly states, "*The HSCP demands that all faculty in a participating school take part, on the assumption that they are all taking part in duties that include generation of external funds (clinical funds, grants and contracts, consulting, etc.).*" At UCSF, faculty who are appointed in a HSCP School at 50% of full time or less are *not* HSCP members per APM 675 014 a "Individuals in health sciences schools, disciplines or specialties ... shall be members of this Plan if they hold a University appointment at greater than 50 percent of full time."

We appreciate the opportunity to review and comment on these proposed changes.

Sincerely,



Robert Newcomer, PhD, Chair  
San Francisco Division of the Academic Senate

UNIVERSITY OF CALIFORNIA, ACADEMIC SENATE

BERKELEY • DAVIS • IRVINE • LOS ANGELES • MERCED • RIVERSIDE • SAN DIEGO • SAN FRANCISCO



SANTA BARBARA • SANTA CRUZ

COORDINATING COMMITTEE ON GRADUATE AFFAIRS (CCGA)  
Rachael Goodhue, Chair  
[goodhue@primal.ucdavis.edu](mailto:goodhue@primal.ucdavis.edu)

ACADEMIC SENATE  
University of California  
1111 Franklin Street, 12<sup>th</sup> Floor  
Oakland, California 94607-5200

November 17, 2011

**ROBERT ANDERSON**  
**ACADEMIC COUNCIL CHAIR**

**Re: Systemwide Review: APM 668 – Negotiated Salary Program**

Dear Bob:

At its November meeting, CCGA discussed the newly proposed APM 668 – Negotiated Salary Program, and though it is difficult to predict the effects of the proposed APM 668 on graduate education at the University of California, CCGA members expressed a variety of views. The Committee's two primary concerns centered on the extent to which APM 668 would redirect grant and endowment funds from graduate student support to faculty salaries and on the implications of APM 668 for UC's ability to attract outstanding faculty and maintain the quality of graduate education.

Regarding the redirection of research funds, some CCGA members felt that the proposed change would not affect training or funding of graduate students in their disciplines because the funding of graduate students is necessary for the faculty to conduct research. Others commented that APM 668 may possibly lead to the diversion of grant and endowment funds from graduate student support to faculty salaries, thus diminishing the number of excellent graduate students that UC graduate programs can support.

On the subject of the effects of APM 668 on UC's ability to attract outstanding faculty and maintain the quality of graduate education, some CCGA members thought that the flexibility created by this program might be valuable in some circumstances. Other members remarked that the program could possibly have deleterious effects if it diminishes the collegiality that the UC academic personnel system traditionally has fostered.

Please do not hesitate to contact me if you have any questions about CCGA's comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Rachael Goodhue".

Rachael Goodhue, Ph.D.  
Chair, CCGA

Copy: Martha Winnacker, Academic Senate Executive Director  
CCGA Members

Enclosure

UNIVERSITY OF CALIFORNIA, ACADEMIC SENATE

BERKELEY • DAVIS • IRVINE • LOS ANGELES • MERCED • RIVERSIDE • SAN DIEGO • SAN FRANCISCO



SANTA BARBARA • SANTA CRUZ

ACADEMIC COUNCIL TASK FORCE ON COMPETITIVENESS  
IN ACADEMIC GRADUATE STUDENT SUPPORT (CAGSS)

Rachael Goodhue, Chair  
[goodhue@primal.ucdavis.edu](mailto:goodhue@primal.ucdavis.edu)

ACADEMIC SENATE  
University of California  
1111 Franklin Street, 12<sup>th</sup> Floor  
Oakland, California 94607-5200

November 23, 2011

**JOHN CRAWFORD**  
**UCORP CHAIR**

**JAMES CHALFANT**  
**UCPB CHAIR**

**RACHAEL GOODHUE**  
**CCGA CHAIR**

**APM 668**

Dear John, James, and Rachael:

The CAGSS task force reviewed the proposed APM 668 at its October 25, 2011 meeting. During the discussion task force members expressed deep concerns regarding the potential effects of the proposed faculty compensation plan on graduate education. The concerns had two themes.

First, APM 668 has the potential to divert grant and endowment funds from graduate student support to faculty salaries, thus diminishing the number of excellent graduate students that UC graduate programs can support.

Second, APM 668 has the potential to reduce the quality of graduate education by altering the UC culture and faculty members' incentives to engage in mentoring and teaching. By individualizing compensation negotiations, APM 668 may reduce fairness and transparency regarding faculty compensation. The existing personnel system fosters collegiality and provides a means of linking an individual faculty member's compensation to his/her overall performance. In contrast, APM 668 has the potential to distort the incentives facing faculty; there would be a direct financial incentive to pursue outside research dollars even at the cost of reducing teaching and mentoring effort at both the graduate and undergraduate levels.

Sincerely,

A handwritten signature in black ink, appearing to read "Rachael Goodhue".

Rachael Goodhue, Ph.D.  
Chair, CAGSS

Copy: Robert Anderson, Academic Council Chair  
Martha Winnacker, Academic Senate Executive Director



UNIVERSITY COMMITTEE ON ACADEMIC PERSONNEL (UCAP)  
Katja Lindeberg, Chair  
klindenber@ucsd.edu

Assembly of the Academic Senate  
1111 Franklin Street, 12<sup>th</sup> Floor  
Oakland, CA 94607-5200  
Phone: (510) 987-9466  
Fax: (510) 763-0309

October 31, 2011

BOB ANDERSON, CHAIR  
ACADEMIC COUNCIL

**RE: PROPOSED CHANGES TO APM 668**

Dear Bob,

UCAP discussed the proposed revisions to APM 668 during its October 11<sup>th</sup> meeting and identified the following list of concerns.

- While there have been assurances that this is not the case, there is nevertheless concern that this plan will allow the University to expropriate faculties' earnings from outside activities.
- The program will create inequities across disciplines and within disciplines. In particular, the "pay-to-play" model will increase inequities between grant-rich and grant-poor disciplines. Furthermore, it could potentially widen the gender salary gap.
- Inequities created by the program could lead to retention problems.
- The plan will create two salary structures, one which is not transparent and undermines the merit-based system that attracted many faculty to UC. It is unclear who would be responsible for reviewing the annual negotiations since faculty are not currently evaluated on an annual basis. UCAP members agree that it is critical for the University to maintain the integrity of the merit system.
- The plan will very likely impact how faculty prioritize their activities and spend their time. The academic culture may be negatively impacted by causing faculty to shift their priorities away from service and teaching to raising more and more research funds. There should be safeguards in place to ensure that the appropriate balance between research, teaching, and service is upheld.
- The University should thoroughly evaluate what the program will and will not do to address UC's budget situation.

Sincerely,



*Katja Lindenberg*

Katja Lindenberg, Chair  
UCAP



UNIVERSITY COMMITTEE ON FACULTY WELFARE (UCFW)  
William Parker, Chair  
[william.parker@uci.edu](mailto:william.parker@uci.edu)

Assembly of the Academic Senate  
1111 Franklin Street, 12<sup>th</sup> Floor  
Oakland, CA 94607-5200  
Phone: (510) 987-9466  
Fax: (510) 763-0309

December 2, 2011

**ROBERT ANDERSON, CHAIR  
ACADEMIC COUNCIL**

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

Dear Bob,

The University Committee on Faculty Welfare (UCFW) has met and discussed the proposed APM 668 (Negotiated Salary Program (NSP)). A majority of the committee does not support proposed APM 668 in concept or in the particulars of the proposal; rather, most find that APM 668 would fail to solve the problems it identifies and would create and exacerbate other problems. A minority of members was supportive of the goals of proposed APM 668, but with some reservations about specific procedural issues needed to reach them.

The stated goals of APM 668 are to increase salary flexibility from extramural sources where funds are available and thereby to free more state and general fund salary dollars for academic disciplines where extramural sources for salary augmentation are not available. Some members of the UCFW opined that faculty who could use extramural funds to augment their salary would eschew the opportunity in favor of a permanent increase to base salary from campus resources. (For example, in recruitment and retention circumstances when the faculty member's negotiating position is the strongest, why would the faculty member accept a temporary salary augmentation when a permanent augmentation could be negotiated?) And since the base salary of a participant in the NSP would not decrease, the committee is unclear what salary dollars could be "greened" for other purposes. Moreover, the proposal does not indicate how many faculty would actually be eligible to participate; of those, how many are likely to participate; and what impact such participation would have on the teaching and research missions of the University.

Indeed, some members of the UCFW asserted that APM 668 would incentivize behavior not in the University's actual best interests. Securing external funding is not in itself critical to the mission of the University, and could in fact jeopardize academic excellence if the search for funds redirected faculty effort. Some members noted that medical center academic excellence has not been harmed by employing this compensation model (see APM 670 (Health Sciences Compensation Plan (HSCP))), but others rejoined that the comparison was not apt due to the significant differences between the culture and traditions of medical centers and the general campuses.

Some members argued that grafting APM 670 onto the general campuses would only codify the worst aspects of both the health science and general campus compensation systems. For example, extant disciplinary salary inequities would grow and become policy (such as between humanists and

biologists), and new inequities would arise (such as biologists whose research focuses upon issues of human health and can appropriately be funded by the National Institutes of Health, on the one hand, and biologists whose research focuses on other biological groups and problems and is more appropriately funded by agencies such as the National Science Foundation and the US Department of Agriculture, on the other); peer review and salary scale relevancy would be further diminished; a still-controversial use of “good standing” would be imported to the general campuses; and deans’ hegemonic influence would grow. UCFW opposes all of these outcomes.

Thank you for the opportunity to comment on this proposal.

Sincerely,

A handwritten signature in blue ink that reads "William Parker". The signature is fluid and cursive, with the first name "William" and last name "Parker" clearly legible.

William Parker, UCFW Chair

Copy: UCFW  
Martha Winnacker, Executive Director, Academic Senate



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  
Phone: (510) 987-9466  
Fax: (510) 763-0309

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)**

**James A. Chalfant, Chair**

[jim@primal.ucdavis.edu](mailto:jim@primal.ucdavis.edu)

Assembly of the Academic Senate

1111 Franklin Street, 12<sup>th</sup> Floor

Oakland, CA 94607-5200

Phone: (510) 987-9466

Fax: (510) 763-0309

December 1, 2011

**ROBERT ANDERSON, CHAIR**  
**ACADEMIC COUNCIL**

**Re: APM 668**

The University Committee on Planning and Budget (UCPB) has reviewed the new APM 668 proposed by the Department of Academic Personnel, which would allow general campus faculty to supplement their income with non-state resources such as grant funds, endowment earnings, and professional degree supplemental tuition. The committee, while not unanimous in its opposition to APM 668, does not recommend that the Academic Council support its implementation for the reasons cited below.

First, while UCOP is billing the policy as something that may affect only small numbers of faculty who have large NIH grants or other fund sources sufficient to participate, we think it would also apply to all faculty of the law and business schools, and to many in engineering. Moreover, to UCPB—and to at least one chancellor, and possibly more, according to committee members' comments—the policy could potentially apply to any faculty member. Committee members are concerned that faculty may be strongly encouraged to place a substantial portion of their academic year salary on grants. This turns the policy from one extending an option and regulating it to one that provides leverage for cutting salary costs by pressuring faculty to comply.

Unfortunately, APM 668 will do nothing to address the lagging UC salary scales. To the extent that it raises some faculty members' salaries, it could exacerbate the growing irrelevance of the salary scales. Widespread use of this program would effectively create a new salary scale, rewarding some types of faculty initiative and effort but not others, and in doing so reduce any momentum that exists for fixing the scales. It would reduce the role of the faculty in merit and promotion cases while giving additional authority to deans and department chairs—in particular, making it easier for administrators to remove or bypass the salary setting authority of those CAPs/Budget Committees that do have such a role. This is the wrong direction for UC. UCPB feels strongly that salary decisions should be governed by the faculty merit system, not by administrators, and that the Senate should advocate for maintaining CAP's oversight over faculty salaries and off-scales on campuses where that is part of CAP's authority, and increasing that authority on campuses where CAPs do not currently play a role in salary. Faculty oversight over

personnel matters is a core part of the UC tradition, and is what made UC great. A strengthening of the merits and promotions system is needed, and the proposed policy does the opposite.

If the use of APM 668 becomes widespread, it could also exacerbate existing salary inequities and create new inequities, both within and across departments on a campus, as well as across campuses. It could lead departments to favor some types of research over others and create distinctions among faculty based primarily on their ability to generate revenue rather than on their scholarly accomplishments in research and teaching. And it could fundamentally change the UC culture by creating incentives for faculty to go after more lucrative grants and do certain kinds of research for its higher salary potential.

Since there are very few departments that would be able to implement APM 668 on a department-wide scale, another flaw in the policy, and the element that distinguishes it from the Health Sciences Compensation Plan, is that it is based on individual negotiation rather than on an academic program unit as in the HSCP. The proposed policy thus lacks the HSCP's communization of funds and would foster a sense that a department or unit is treating its faculty differently.

Finally, it is likely that the salary increment funded by the grant would not exist purely as an add-on to the grant, but would require the faculty member to divert the portion of the grant funding the salary away from another area. This could have a detrimental effect on graduate education, leading to fewer research opportunities for graduate students and post-docs, as grant money normally used to fund them would now provide for faculty salaries.

A minority view on UCPB supports the proposed policy as a welcome new tool that will help campuses recruit and retain excellent faculty, particularly in certain disciplines. This view holds that one of only ways UC has to attract senior faculty in the biological sciences, for example, is allowing them a split appointment in the medical school so they can participate in the HSCP and receive a higher salary. Others on the committee who did not support the policy understood that concern, and would like to see alternatives considered, such as a special salary scale for the biological sciences, if it is indeed the case that the salary scales lag the market by more for such disciplines than for the general campus more broadly. UCPB recommends that there be a study of the market for faculty in the biological sciences, and data collected from peer institutions, before adopting a new scale, however.

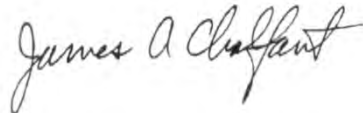
It was also noted that, in addition, grants are already being used to supplant or augment state funded salary, and the new policy could help reduce the pressure on the pool of money available for off-scales. Moreover, the proposed policy includes the statement that the policy will respect local culture and allow each campus to implement the policy as it sees fit, so CAPs would not necessarily be left out of the decision-making loop, and a campus might apply the policy only to those with sufficient history of grant funding or restrict the length of the negotiated salary. The recognition of the Senate's role, through CAP, and local cultures is appreciated, but the policy that results seems rather vague and ill-defined.

This brings up a related question about what biological sciences faculty do to earn their HSCP compensation if they run a grant through the medical school rather than their own colleges. If these faculty are not generating new revenues that benefit the medical school, analogous to the clinical income generated by many HSCP faculty, then there seems to be little justification for moving them to the HSCP and the medical school. If the medical school does gain revenues through the arrangement, they could be tapped to fund a more competitive salary scale for all

biological sciences faculty, which would require no individual negotiations, no concept of “good standing”, and no undermining of the UC merit and promotion system.

UCPB appreciates the work of the steering committee and UCOP administrators who developed the policy, particularly their efforts to find new and creative ways of increasing UC’s competitiveness in faculty recruitment and retention. We do believe that a program like APM 668 could have value in specific recruitment and retention cases in specific disciplines, but find that the policy is inconsistent with UC’s tradition of linking salaries to peer review through the salary scales, and gives too much power to deans and department chairs. UCPB would be willing to work with other standing committees of the Academic Senate and the administration on a new plan. In the meantime, we urge UC to reinvigorate its efforts to improve the competitiveness of the published salary scales and to bring the majority of faculty back on-scale.

Sincerely,

A handwritten signature in cursive script that reads "James A. Chalfant".

James A. Chalfant  
UCPB Chair

cc: UCPB  
Martha Winnacker, Senate Executive Director