Meeting of February 24, 2012

AGENDA ITEM H

Proposed Defined Contribution Plan Contributions on Additional Negotiated Compensation Earned by Faculty – Update

At the November 2011 Board meeting, an item was presented that described two separate proposals being advanced by the Office of Academic Affairs to implement employer and employee Defined Contribution Plan (DC Plan) contribution on additional negotiated compensation earned by certain faculty. Under both proposals, the contributions were based on pay that was neither Covered Compensation for UCRP nor derived from state funds and the cost of the employer contributions was attributable to the funding source(s) of such negotiated additional compensation. One proposal applied general ladder-rank faculty members and the other to faculty members in the Health Sciences Compensation Plan.

Since no additional negotiated pay program exists for non-Health Sciences faculty members, a new "Negotiated Salary Program" (NSP) was proposed for them on which the DC Plan contributions were to be based. The NSP, as described in the draft Section 668 to the Academic Personnel Manual (APM 668) was distributed for system-wide review last fall.

Following the system-wide review, the Academic Senate recommended that the NSP not be incorporated into the Academic Personnel Manual. Rather, the Academic Senate endorsed continued discussions of alternate ways to better compensate faculty. Above all, it advocated for adequate state resources and continued efforts to restore competitive salary scales. A copy of the December 2011 letter from Academic Senate Chair Anderson to Vice Provost Carlson can be found on the Academic Senate website at the following link:

http://www.universityofcalifornia.edu/senate/reports/RMA_CarlsonreAPM668_FINAL.pdf

The proposed contributions for Health Sciences faculty members were to be based on their additional negotiated compensation referred to as "Y" pay. At this time, however, the proposed contributions for and by Health Sciences faculty members who earn Y pay have been placed on hold pending further consultation.

The Board will be apprised of any future developments concerning the proposed DC plan contributions for either group of faculty members.