



OFFICE OF THE VICE PROVOST --
ACADEMIC PERSONNEL

OFFICE OF THE PRESIDENT
1111 Franklin Street, 11th Floor
Oakland, California 94607-5200

May 3, 2018

CHANCELLORS
LABORATORY DIRECTOR WITHERELL
ACADEMIC COUNCIL CHAIR WHITE
ANR VICE PRESIDENT HUMISTON

**Re: Systemwide Review of Proposed New Academic Personnel Manual (APM), Section 675,
Veterinary Medicine Salary Administration (APM - 675)**

Dear Colleagues:

Enclosed for systemwide review is proposed new Academic Personnel Manual Section 675 (APM - 675), Veterinary Medicine Salary Administration. The proposed new policy is responsive to the UC Davis School of Veterinary Medicine's (SOVM) request to modify the current Veterinary Medical School Strict Full-Time (SFT) Salary Plan, as approved by the UC Board of Regents in 1968, to allow SOVM faculty to retain income derived from non-clinical outside professional activities up to a threshold amount of \$40,000 annually per SOVM faculty member. Any proposed changes to the current SFT Salary Plan will be submitted to the UC Board of Regents for approval.

Background

The UC Board of Regents approved the existing SFT Salary Plan and SFT Salary Scale for certain UC Davis SOVM faculty on November 22, 1968. The 1968 SFT Salary Plan established a salary scale for SOVM faculty that is approximately 15% higher than the base salary scale for Professors, with half of the 15% increment paid by the University and the other half contributed by the SOVM from non-State funding sources. The SFT Salary Plan has been the basis of salary for the SOVM since 1968. The proposed new APM policy would place salary administration for Veterinary Medicine in the APM as is the case for all other faculty compensation issues.

One goal of the proposed APM policy is to allow faculty in SOVM an opportunity to earn and retain outside non-clinical compensation as is possible for other faculty in the professorial ranks. Unlike the Health Sciences Compensation Plan (HSCP) where there are "Y" and "Z" compensation components of a faculty member's salary, SOVM faculty do not receive additional compensation in this manner. The existing SFT Salary Plan currently only allows SOVM faculty to retain small honoraria, royalties from patent licenses in accordance with UC policy, or compensation from teaching UC Extension courses (under APM - 025). However, faculty in the HSCP at UC campuses are able to earn and retain additional outside non-clinical compensation, in addition to their UC salary up to a threshold amount of \$40,000, as outlined in APM - 671. The outside income of general campus faculty is governed by APM - 025. Table 1 below compares eligible compensation by faculty type.

Table 1: Outside Compensation Options by Faculty Type

Faculty Type	Off-Scale Compensation Possible?	Y or Z Negotiated Components Possible?	Ability to earn outside compensation (APM - 025/671)	Potential for additional outside income within APM - 025/671
General Campus	Yes	No	Yes	No limit on dollar amount
Business, Economics, & Engineering	Yes	No	Yes	No limit on dollar amount
SOVM	Yes	No	No	Not currently eligible
HSCP	No	Yes	Yes	Ranges from \$0-\$20k-\$40k (plus possibility for additional amount in a Z payment)

Rationale for Proposed New APM - 675, Veterinary Medicine Salary Administration

Proposed new APM - 675 permits SOVM faculty to retain limited compensation from non-clinical outside professional activities in accordance with APM - 025. This is in alignment with the privileges of faculty members in other UC schools and colleges, including those in the HSCP. The new policy would increase equity in compensation by treating SOVM faculty in a way that is more consistent with that of other UC faculty and peer veterinary medical schools. Peer veterinary medicine schools permit faculty to conduct non-patient care consulting and to retain the fees derived from these activities without limit.

Currently, consulting fees contribute to less than 1% of the \$1.2 million per year required to fund the SOVM's component of the SFT Salary Plan. The low contribution of consulting income to the SFT Salary Plan reflects the weak incentives that SOVM faculty currently have to build outside professional relationships that can benefit the SOVM.

While considering whether the existing SFT Salary Plan compensation principles could be addressed by minimal text changes under the HSCP, APM - 670, it became clear that the state fund restrictions integral to the HSCP make this option unworkable, since state funding is used by the SOVM to supplement the portion of base salary that exceeds the fiscal year salary scales.¹ Another reason that the HSCP is not a viable option for SOVM faculty is because the SOVM would not be able to generate sufficient net income to support the "Y" and "Z" components of the HSCP since the potential for clinical revenue in veterinary medicine is far less than that in human medicine.

Policy Principles

Eligibility. Faculty members who hold a 51% or greater appointment in the SOVM are eligible to be paid under the salary framework described in the proposed new policy. Participation in the salary framework is required for all eligible SOVM faculty. In addition, faculty members paid on the Veterinary Medicine Salary Scale are not permitted to participate in other compensation plans.

Salary Differential and Contribution. SOVM faculty participants on the Veterinary Medicine Salary Scale will receive an annual salary differential above the scales for fiscal year ladder rank faculty. The funding of this annual salary differential is generated from two sources: 50% from a State funds contribution; and 50% from a SOVM matching contribution. As part of the SOVM's matching contribution, each eligible SOVM faculty member is required to contribute a minimum contribution amount to support the SOVM's portion of salary differential each year. The faculty member's minimum contribution amount is set by the Dean of the School of Veterinary Medicine and is approved by the Chancellor.

¹ HSCP: "No State funds shall be used for the portion of base salary that exceeds the Fiscal Year Salary Scales for the Plan member's rank and step or for optional University additional compensation..." [APM - 670-18-a(3)]

Outside Professional Activities. SOVM faculty paid on the Veterinary Medicine Salary Scale may engage in non-clinical and non-patient care outside professional activities. To ensure consistency with the other UC health sciences professional schools and APM - 671, no SOVM faculty member may retain more than \$40,000 per year in earnings from non-patient outside professional activities. Additionally, SOVM faculty members who choose to engage in outside non-patient care consulting activities must do so in accordance with APM - 025, Conflict of Commitment and Outside Activities of Faculty Members. The current reporting requirements of APM - 025 will govern the oversight of such outside activities and will provide assurance that the SOVM faculty will remain fully engaged with their work for the University.

UCOP Review. Proposed language in the policy requires that the UCOP Provost and Executive Vice President review the Veterinary Medicine Salary Administration Guidelines once the policy is approved.

Next Steps/Implementation

The UCOP Academic Personnel and Programs (APP) office will work with UC Davis to address any comments, questions, or request for revisions that are received during the systemwide review period. Should the new policy be recommended for approval by the President, it will go to the UC Board of Regents for approval and for the rescinding of the 1968 Regents SFT Salary Plan.

Systemwide Review

Systemwide review is a public review distributed to the Chancellors, the Director of the Lawrence Berkeley National Laboratory, the Chair of the Academic Council, and the Vice President of Agriculture and Natural Resources requesting that they inform the general University community, especially affected employees, about policy proposals. Systemwide review also includes a mandatory, 90-day full Senate review.

Employees should be afforded the opportunity to review and comment on the draft policy, available online at <https://www.ucop.edu/academic-personnel-programs/academic-personnel-policy/policies-under-review/index.html>. Attached is a Model Communication which may be used to inform non-exclusively represented employees about these proposals. The Labor Relations Office at the Office of the President is responsible for informing the bargaining units representing union membership about policy proposals.

We would appreciate receiving your comments no later than **August 1, 2018**. Please submit your comments to ADV-VPCARLSON-SA@ucop.edu. Please indicate "Veterinary Medicine Salary Administration (APM - 675)" in the subject line. If you have any questions, please contact Kimberly Grant at Kimberly.Grant@ucop.edu or (510) 987-9499.

Sincerely,



Susan Carlson
Vice Provost
Academic Personnel and Programs

Enclosures: Proposed New APM - 675, Veterinary Medicine Salary Administration
Model Communication

May 3, 2018

Page 4

cc: President Napolitano
Provost and Executive Vice President Brown
Executive Vice Chancellors/Provosts
Executive Vice President and Chief Operating Officer and Chief of Staff Nava
Executive Vice President Stobo
Senior Vice President Bustamante
Vice President Duckett
Vice President Ellis
Vice Provosts/Vice Chancellors of Academic Affairs/Personnel
Dean Lairmore
Executive Associate Dean Pascoe
Executive Assistant Dean McNally
Academic Personnel Directors
Deputy General Counsel Woodall
Executive Director Baxter
Executive Director Chester
Executive Director Peterson
Chief of Staff and Director Henderson
Chief of Staff Levintov
Director Grant
Director Lee
Manager Donnelly
Manager Smith
HR Manager Crosson
Policy Analyst Ha