

**UNIVERSITY OF CALIFORNIA, IRVINE
SCHOOL OF MEDICINE IMPLEMENTING PROCEDURES
FOR THE HEALTH SCIENCES COMPENSATION PLAN
EFFECTIVE JULY 1, 2015**

I. INTRODUCTION

These UCI School of Medicine Implementing Procedures (Procedures) are developed and approved in accordance with the Health Sciences Compensation Plan (the Plan) approved by The Regents of the University of California in May 2012, and the Policy on Conflict of Commitment and Outside Activities of Health Sciences Compensation Plan Participants (APM-671), issued by the President on July 1, 2014. These Procedures are effective on July 1, 2015, after approval by the President. They shall remain in effect until new procedures are submitted to and approved by the Chancellor and the President.

Department compensation plan procedures (department procedures) are developed in accordance with these Procedures. All department compensation plan procedures must be reviewed and approved by the Dean prior to implementation. Affected Plan participants shall be afforded the opportunity to review and comment on proposed department procedures and revisions in such procedures. The Plan and Procedures will be used in each department to foster balance among the responsibilities for teaching, research, patient care and public service.

The University's Conflict of Interest Code, adopted pursuant to the requirements of the Political Reform Act of 1974, requires designated University employees to disqualify themselves from participating in University decisions in which they have a personal financial interest. A faculty member's compensated outside activities may create an obligation for the faculty member to disclose a financial interest before making or participating in certain University decisions. Plan participants may obtain additional information on these disclosure and disqualification requirements from UCI's Conflict of Interest Coordinator, Office of the Chancellor.

Nothing in these Procedures is intended to supersede the University *Policy on the Requirement to Submit Proposals and to Receive Awards for Grants and Contracts through the University*.

As stated in Appendix A and Section 670-2 of the Plan respectively, the philosophy and purpose of the compensation plan are as follows:

A. Philosophy

Health Sciences education occupies a special place in American higher education with unique functions and responsibilities. In health sciences education, the orientation to clinical practice, essential to the teaching function, requires an emphasis on sophisticated patient care, in addition to an emphasis on research and the advancement of knowledge. In medicine, dentistry, nursing, pharmacy, and other health sciences education as well, clinical teaching is integrated with basic and applied research. The University of California is committed to excellence in instruction, research, and public service in the health sciences just as it is committed to the same goals in other academic disciplines. Health sciences faculty members are expected to act as professional role models for all. As a public university in California authorized to grant professional doctoral degrees in the health sciences, the University has a responsibility to the State, the public, and its students to maintain the breadth and depth of its curricula, the creativity of its research efforts, and the quality of its health care services.

To ensure the level of excellence essential in the University of California, special effort must be exerted to recruit and retain the best and most dedicated faculty. Special compensation plans have been established over the years to provide for quality across academic programs in the health sciences disciplines. These health sciences compensation plans must offer a competitive salary structure indispensable to the health sciences schools' recruitment and retention efforts.

Health sciences disciplines require varying compensation levels in order to remain competitive with comparable schools elsewhere in the United States. However, because University health sciences

schools share some common needs and operating requirements, the University has developed a uniform Health Sciences Compensation Plan to govern compensation arrangements and account for compensation plan income to the University's Schools of Medicine, Dentistry, Nursing, Pharmacy, and other health sciences units as deemed appropriate by the President or the President's designee.

Health sciences compensation plans must be clear and justify calculation of compensation and contain a mechanism for impartial review to protect the rights of individual faculty.

The Health Sciences Compensation Plan is approved, amended and repealed by and under the authority of The Regents of the University of California. Through the Plan, compensation is set as a part of the employment relationship, and as a consequence, the level of compensation and the terms and conditions of the Plan may be amended or repealed at any time by the President, following consultation with the Health Sciences Chancellors, Deans, and the appropriate Academic Senate Committee(s).

The implementation, administration and continued operation of this Plan shall be contingent on the understanding and assurance that it will not require the expenditure of more State-appropriated funds in the University budget than operation without the Plan would require.

B. Purpose

The purpose of this Health Sciences Compensation Plan is to provide a common administrative framework within which a participating health sciences school can compensate its faculty according to the competitive requirements of each discipline. Specific goals of this Plan are:

1. To provide sufficient non-State resources to recruit and retain outstanding health sciences faculty;
2. To encourage a balance among teaching, research/scholarship, clinical care, and University and public service activities that meet the standards of excellence required in the University of California;
3. To provide teaching, patient care and research incentives that encourage and recognize academic merit as well as generation of income;
4. To offer consistent benefits and privileges to participating health sciences faculty; and
5. To benefit the health sciences schools by providing academic and research support funds in addition to State-appropriated funds.

II. REVIEW AND APPROVAL RESPONSIBILITY

The regulations included in the Plan are intended to provide the policy framework within which these Procedures are developed and implemented. Any future revisions of these Procedures must be consistent with the Plan, reviewed by the Compensation Plan Advisory Committee (described in A, below), and approved by the Chancellor and the President.

In developing procedures consistent with these regulations, provisions may be included that are more, but not less, restrictive than those outlined herein.

A. Role of the Compensation Plan Advisory Committee

The Compensation Plan Advisory Committee is established by the Dean. It shall advise and make recommendations to the Dean. Final authority shall rest with the Chancellor and the President if required. The Committee shall consist of ten voting members: five elected members and five members appointed by the Dean. Voting members must be members of this Compensation Plan in good standing. The voting membership of this Committee shall include representatives from the department chairs, the Academic Senate faculty, and the non-Academic Senate faculty. It shall

also include representation from the basic science departments and medical, surgical and hospital-based specialty departments. See Appendix II for Guidelines describing the membership selection process, length of term, appointment of chair, and functions and process of the Committee.

B. Roles of The Regents, the President, the Academic Senate and the Chancellor

Sections 670-6 a., b., and c. of the Health Sciences Compensation Plan describe the roles of The Regents, the President, the Academic Senate and the Chancellor as follows:

Roles of The Regents and the President

After consultation with the Health Sciences Chancellors, Deans, and the appropriate Academic Senate committee(s), and upon recommendation by the President, The Regents may amend or repeal the entire Plan or any portion thereof.

The President or the President's designee shall review Implementing Procedures for those schools electing participation in the Plan.

The President shall report to The Regents total compensation for any Plan participant which is greater than four times the highest step on the Professor Series Fiscal Year Salary Scale.

Role of the Chancellor

The Chancellor shall have operational authority over the development and, subsequent to review and approval by the President, implementation and monitoring of the campus procedures for administration of this Plan.

The Chancellor shall be responsible for assuring that affected Plan participants and the appropriate Academic Senate committee(s) shall be afforded the opportunity to review and comment on the proposed school Implementing Procedures.

Role of the Academic Senate

The President shall consult with the appropriate Academic Senate committees concerning proposed 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 the President's designee for review.

III. STANDARDS/CRITERIA/QUALIFICATIONS

A. Good Standing Criteria

Written Good Standing Criteria shall be established at the School and Department level and shall be included in the School of Medicine Implementing Procedures. Good Standing Criteria must include: 1) a definition of Good Standing, 2) a description of the administrative review process that occurs when a member is determined to be out of Good Standing, 3) consequences for not being in Good Standing, and 4) the process by which a faculty member may return to Good Standing. (See Appendix III).

School and Department Good Standing Criteria must be consistent with APM-670-10: "All members of the Health Sciences Compensation Plan should be deemed to be in Good Standing until they encounter some circumstance in which their capacity to earn income is impaired. A faculty member may fail to be in Good Standing only for conduct which significantly and negatively impacts the health sciences school's central functions of teaching, research/scholarship, clinical care, and University and public service. Reasons for loss of Good Standing might include, for example, a negative five-year review, instances of misconduct, inability to participate in the

generation of salary, refusal to participate in assigned duties, failure to participate in mandatory training, loss of clinical privileges, or loss of licensure and/or credentials.”

Faculty members are responsible for maintaining good standing per the terms of the Department Plan. Department procedures shall state that Plan participants must satisfy good standing criteria in order to be allowed to earn and/or retain income from professional activities.

Good standing criteria will include requirements related to the following:

- Expectations related to their academic series
- Departmental expectations related to service
- Expectations related to generation of salary support and to shared expenses
- Compliance with the compensation plan

Each Department's implementation procedures shall further describe specific requirements for the first three criteria. Department implementation procedures may include additional criteria and must describe the criteria. Prior to the implementation or revision of good standing criteria, Plan participants shall be provided the opportunity to review and comment on the proposed criteria.

Faculty who are not in good standing must obtain written advance approval from the Department Chair, and approval by the Dean, to engage in any unassigned professional activities, and the income from all such approved activities shall accrue to the Compensation Plan (and not the individual faculty member) and shall be deposited in a compensation plan account. A faculty member who is not in good standing shall be notified in writing by the Department Chair of the reasons for that determination (See Appendix III). Faculty who believe the good standing criteria have been applied unfairly may appeal to the Compensation Plan Advisory Committee as described in Appendix III of these School of Medicine Implementing Procedures.

IV. MEMBERSHIP IN THE HEALTH SCIENCES COMPENSATION PLAN

A. Membership Requirements

Individuals in health sciences schools, disciplines or specialties that have been approved for participation in the Plan shall be members of this Plan if they hold a University appointment at greater than 50% of full time, funded by one or more of the participating health sciences units, in any of the following title series:

1. Professor
2. Professor in Residence
3. Professor of Clinical _____ (e.g., Medicine)
4. Adjunct Professor
5. Acting Professor
6. Visiting Professor
7. Health Sciences Clinical Professor
8. Health Sciences School Dean titles
9. Any other title series approved for membership in this Plan by the President or the President's designee

A member of the faculty who was appointed in a health sciences school at the time of his/her retirement may be recalled to participate in the Health Sciences Compensation Plan, yet may not exceed a maximum total per each month of 43 percent of full time. Please refer to APM – 205, Recall for Academic Appointees. All other faculty, with the exception of affiliate faculty, must hold appointments greater than 50 percent of full-time.

Plan membership is required of all faculty with an appointment at an affiliate location and holding a part-time (43% or less) appointment at UCI.

Deans and other faculty administrators in Plan schools shall be members of the Plan if they hold an underlying Health Sciences Compensation Plan faculty title; however, salary and reporting requirements are defined by the personnel policies governing the administrative appointments.

Membership in the Plan is a term and condition of employment. All new and continuing eligible Plan members shall receive a copy of the Plan document, the school Implementing Procedures, and any related School or Departmental Guidelines setting forth campus, and departmental policy applicable to faculty covered by the Plan.

All eligible members of the Plan are expected to sign the following statement of agreement. A new appointee will not be employed without first signing this statement at the time of employment or inclusion in the Plan:

"I certify that I have received a copy of the University of California Health Sciences Compensation Plan, the UCI School of Medicine Implementing Procedures and Departmental Compensation Plan Procedures. I agree to comply with all of the terms and conditions contained therein. I understand that I may not retain any income from my professional services except as stipulated in those documents. I understand that 100% of my professional commitment is to the University. I understand further that compliance with provisions contained in The Health Sciences Compensation Plan, the UCI School of Medicine Implementing Procedures and Departmental Compensation Plan Procedures is a condition of employment for Plan members."

Since membership in the Plan is a term and condition of employment, failure or refusal of current Plan members to sign will not excuse him/her from the terms and conditions of the Plan.

B. Exceptions to Membership Requirements

The Chancellor may approve exceptions to membership requirements to meet special teaching, research, clinical care, or University and public service requirements.

The Chancellor shall review and is authorized to approve specific provisions in campus procedures and requests by Deans for inclusion in the Plan of individuals in a health sciences school whose appointments are in the title series listed in APM - 670-14-a, regardless of percentage of appointment.

Faculty members who are otherwise eligible for the Plan as defined above but who have appointments of 50% or less of full time may participate in the Plan upon approval by the Dean. School of Medicine guidelines shall specify when membership in the Plan is required for faculty whose School of Medicine funded appointment is 50% or less of full time.

V. SALARY

No single member professional corporation, or any other form of professional corporation, professional partnership or other entity for the provision of professional health care shall be permitted for faculty under the Plan without the express written approval of the President.

A. Total Compensation

Faculty participating in the Plan shall belong to an academic programmatic unit and shall:

- receive base salary as described in Section 1, below;
- be eligible for optional additional compensation as described in Section 2, below; and
- be permitted to retain other miscellaneous income as described in Section 3, below.

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 additional compensation as described

in Section 2, below. This portion of compensation shall be funded using Compensation Plan funds and other non-State funds in compliance with any related fund source restrictions.

1. Base Salary (X and X') and Academic Programmatic Unit (APU)

Base salary is the approved rate on one of the Health Sciences Compensation Plan Salary Scales associated with a faculty member's academic rank, step and assigned APU. Base salary shall equal at least the approved rate on the Fiscal Year Salary Scale (HSCP Scale 0) for the faculty member's rank and step (X). Base salary is covered under the University of California Retirement Plan (UCRP) up to the amount permissible under Internal Revenue Code provisions and in accordance with UCRP policy and provisions. Plan participants' APU scale assignments shall be approved by the Dean and assignments may be changed in accordance with guidelines issued by the Chancellor. The differential between X (Scale 0) and the faculty member's rank and step on the HSCP Salary Scale assigned to the faculty member's APU is designated X-prime (X').

- a) For the purpose of determining the Health Sciences Base Salary Rate, each Department shall establish at least one APU to which the faculty shall be assigned. An APU shall comprise faculty with similar clinical, teaching and research responsibilities. The Department Chair shall recommend an appropriate APU assignment for each member of the Plan, based on clinical, teaching and research responsibilities. Each APU shall be assigned to an HSCP Salary Scale, according to school Implementing Procedures (See Appendix I).

2. Optional Additional Compensation

Additional compensation may be paid, in accordance with fund source restrictions, as described below. Department compensation plan procedures shall specify how additional compensation is calculated and when it will be paid. Plan participants shall be afforded the opportunity to review and comment on proposed department procedures and revisions in such procedures.

- a) Negotiated additional compensation (Y)

The Department Chair APU Director may negotiate an amount of additional compensation as part of the annual salary negotiation process. This component is beyond the Fiscal Year Base Salary (X) and Health Sciences Salary Scale Differential (X prime) and is not covered compensation for the University of California Retirement Plan. This compensation can be determined at the APU level with approval of the Department Chair and the Dean. A departmental plan, along with the proposed salaries for all plan members, must be submitted in April each year for the following fiscal year as part of the Department budget to be approved by the Dean. Pay which is negotiated on a more frequent basis than annually (for example, quarterly) shall be paid as incentive/bonus income (described in b. below). Incentive/Bonus compensation ("Z").

- b) Plan members may receive incentive/bonus compensation. This incentive/bonus compensation is not covered compensation for the University of California Retirement Plan. Each department or unit with "Z" compensation must develop incentive-based compensation guidelines which will be included in department compensation plan procedures. The procedures shall be reviewed and approved by the Dean prior to implementation.

3. Other Outside Income That May be Retained by Plan Members

- a) Patient care activities must be provided within the University setting, or as part of an approved affiliation agreement or professional service agreement. All clinical income is due to the Plan. In no case will Plan participants be allowed to retain income from patient care (clinical) activities.

- b) Income from the following activities may be retained by Plan Participants and does not count toward the earnings approval threshold. Time related to these activities does not count toward the time limits.
- (1) Prizes, defined as gifts in recognition of personal achievements and not for services rendered;
 - (2) Royalties, defined as shares of proceeds for contributions as authors or inventors, as allowed under the University's copyright and patent policies;
 - (3) Honoraria, defined as payments by agencies outside the University for occasional lectures and similar public appearances beyond normal academic responsibilities to the University of California and which are not in return for other services, whether given directly or indirectly;
 - (4) University honoraria, defined as payment for occasional lectures or similar services performed on a University of California campus as permitted by Academic Personnel Policy (see APM – 666, Additional Compensation: Honoraria) and relevant campus policies;
 - (5) Administrative stipends;
 - (6) Income from a profession unrelated to the training and experience which is the individual's qualification for University appointment.

c) Academic Enrichment Accounts

Department Compensation Plans shall address whether members may deposit remuneration from miscellaneous outside activities into an academic enrichment account, and the terms and conditions of those accounts (See Appendix V). The Department Chair and/or Dean shall monitor the frequency of individual activity in these areas. Academic Enrichment Accounts are established by departments to support the academic, research, and professional development activities of the faculty by allowing direct charge or reimbursement of business-related expenses.

d) Complaints and Appeals

A faculty member who has a complaint about an issue related to outside professional activities should first try to resolve the issue at the departmental level. If the complaint cannot be resolved through discussions at the department level, the faculty member's complaint and the Department Chair's response should be documented in writing. If the faculty member disagrees with the departmental decision, s/he should file a formal complaint with the Dean. The Dean will charge the Compensation Plan Advisory Committee with fact-finding. Both the Chair or the Chair's designee and the faculty member will have the right to be heard by the Committee. The Committee will issue a formal recommendation for resolution to the Dean. The Dean makes the decision based on this recommendation. Senate faculty may pursue their grievance rights under the terms of Senate Bylaw 335, Privilege and Tenure: Divisional Committees-Grievance Cases. Non-Senate faculty may request a hearing under the terms of APM-140, Non-Senate Academic Appointees/Grievances

VI. DEPARTMENTAL REQUIREMENTS ON OCCASIONAL OUTSIDE PROFESSIONAL ACTIVITIES

Outside professional activities must be undertaken in a manner consistent with the faculty member's professional obligations to the University. Outside activities must not conflict with the faculty member's obligations to students, colleagues, or to the University as a whole. In order to fulfill those obligations, faculty members must maintain a significant presence on campus, meet classes, keep office hours, hold examinations as scheduled, be accessible to students and staff, be available to interact with

University colleagues, and share service responsibilities throughout every quarter or semester of active service. Faculty members shall not engage in any outside professional activity that creates a conflict of commitment. Professional activities are separated into three categories in the management of this policy. Categories I and II include activities that must be reported and in the case of Category I must receive prior approval before the faculty member engages in the activity. Category III activities are those that are within the course and scope of University employment and need not be approved or reported. When an activity falls into more than one category, it should be assigned to the category which requires more stringent reporting and prior approval, as applicable. Each department shall develop a department compensation plan which include requirements on occasional outside professional activities. The department plan must meet the criteria outlined below and must be approved by the Dean before implementation. Affected Health Sciences Compensation Plan participants shall be afforded the opportunity to review and comment on proposed department compensation plan and revisions in such procedures.

A. Limit on number of days devoted to outside professional activity

The maximum number of days which plan participants may devote to compensated and uncompensated outside professional activities is set at 21 days per fiscal year.

B. Types of Outside Professional Activity

Outside professional activities are categorized based on the extent to which they are likely to constitute conflict of commitment:

(1) Category I

Category I activities are outside professional activities that are most likely to create a conflict of commitment because: 1) they are activities related to the training and expertise which is the individual's qualification for University appointment, but performed for a third party, and/or 2) they require significant professional commitment. Category I activities require prior approval by the Chancellor and require disclosure in annual reporting. Approvals are generally for one fiscal year but may be granted for a longer term, not to exceed five years. Category I activities count toward the faculty member's time threshold for outside professional activities and earned income counts toward the earnings approval threshold.

Category I activities include, but are not limited to:

- (a) Teaching, research, or administration of a grant at an educational institution, trust, organization, government agency, foundation, or other entity outside of the University;
- (b) Employment outside of the University;
- (c) Assuming a founding/co-founding role of a company;
- (d) Assuming an executive or managerial position outside of the University.

(2) Category II

Category II activities are typically shorter term outside professional activities that are outside the course and scope of University employment. Category II activities have a lesser potential for a conflict of commitment than do Category I activities. Category II activities require disclosure in annual reporting under this policy, but do not require prior approval. Category II activities count toward the faculty member's time allotment for outside professional activities. Income earned from these activities counts toward the earnings approval threshold. Prior approval is required if the time and/or earnings thresholds are exceeded.

Examples of Category II activities include, but are not limited to:

- (a) Additional University-compensated teaching, including teaching for UNEX courses and programs (see APM - 662, Additional Compensation: Additional Teaching), other continuing health education programs run by the University, and self-supporting UC degree programs;
- (b) Consulting under the auspices of the University of California;
- (c) Consulting or testifying as an expert or professional witness;
- (d) Consulting for for-profit entities;
- (e) Consulting for non-profit entities;
- (f) Consulting for non-profit health or education-related organizations;
- (g) Consulting for government agencies;
- (h) Serving on a board of directors outside of the University whether compensated or uncompensated;
- (i) Providing or presenting a workshop for industry;
- (j) Providing outside consulting or compensated professional activities performed for entities such as the Los Alamos and Lawrence Livermore National Laboratories;
- (k) Other income-generating activities specified in approved Implementing Procedures.

(3) Category III

Category III activities are within the course and scope of University employment. As such, they are unlikely to raise conflict of commitment issues. Category III activities, even if compensated, do not require disclosure in annual reporting or prior approval under this policy, do not count toward the faculty member's time threshold for outside professional activities, and the income does not count toward the earnings approval threshold. Nevertheless, these activities must not interfere with a faculty member's obligations to the University.

Examples of Category III activities include, but are not limited to:

- (a) Serving on government or professional panels or committees or as an officer or board member of a professional or scholarly society;
- (b) Reviewing manuscripts; acting in an editorial capacity;
- (c) Attending and presenting talks at university/academic colloquia and conferences; and
- (d) Developing scholarly or creative works.

C. Mechanisms for Addressing Potential Conflicts of Commitment

The University of California policy on conflict of commitment and outside activities and the disposition of income earned from outside professional activities provides guidance for the identification and management of outside professional activities in order to avoid conflicts of commitment, while assuring that Health Sciences Compensation Plan (the "Plan") participants may engage in a wide array of outside activities without unnecessary limitations.

Faculty members who are employed by the University of California owe their primary professional allegiance to the University and accept as their own the University's

responsibilities to advance and communicate knowledge. Teaching, research or other creative activities, clinical care, and the cultivation of scholarly or creative competence are their primary activities and should receive the largest commitment of time and energy; the same expectation exists for part-time faculty to the extent of their faculty appointment. In service of the University's goals to advance and communicate knowledge through interaction with the public, faculty have an obligation to provide, within limits, University-related public service by using their expertise to contribute to the University and/or the professions, business, the community or the public. Such activities also help faculty identify and address community needs and afford practical experience and knowledge valuable to teaching and research or creative activity. This policy seeks to balance these competing University obligations in the context of a faculty member's professional discretion in allocating time and effort across multiple activities. The University of California policy on conflict of commitment and outside activities acknowledges the value of outside professional activities while recognizing the likelihood that some activities may cause real or apparent conflicts of commitment. Outside professional activities that interfere with a faculty member's professional obligations to the University represent a conflict of commitment. The Department Chair, in consultation with the faculty member and the Dean, shall resolve all questions related to whether an activity constitutes an outside professional or non-professional activity or if an activity is within the course and scope of employment.

APM-671 (UC Policy on Conflict of Commitment and Outside Activities) manages conflict of commitment, defines which outside professional activities must be disclosed to the University, approved prior to engagement, and/or reported annually. The policy limits the amount of time a faculty member may devote to outside professional activities, describes the requirements when involving a student in outside professional activities, and defines the disposition of income earned from such activities. Health Sciences Compensation Plan participants may engage in outside professional activities (other than patient care) only if they are deemed to be in Good Standing and may retain the income from outside professional activities only in accordance with the terms of the policy on conflict of commitment and outside activities, the Plan, and the School Implementing Procedures.

In addition to the policy on conflict of commitment and outside activities, Plan participants must comply with all University policies involving University intellectual property (see APM - 740-18-c-3), conflict of interest and restrictions on compensation.

D. Definitions

- **Outside Professional Activities**

Outside Professional Activities, compensated or uncompensated, and regardless of financial interest, are defined as those activities that are within a faculty member's area of professional, academic expertise and that advance or communicate that expertise through interaction with industry, the community, or the public. Outside additional teaching as described in APM - 671-10-a-(2)-(a) is included in this definition. Outside professional activities are distinct from non-professional activities, i.e., activities that are part of the faculty member's private life and are not expressly governed by University regulations or by the guidelines on outside professional activities. Outside professional activities must not interfere with a faculty member's professional obligation to the University.

- **Conflict of Commitment**

- A conflict of commitment occurs when a faculty member's outside activities interfere with the faculty member's professional obligations to the University of California.

- **Outside Consulting**

- Outside consulting is one type of outside professional activity. It is defined as professional advice or service related to the faculty member's field or discipline,

whether compensated or uncompensated, that furthers the interests of an entity outside the University of California.

- **A Day**
- For purposes of this policy, a day is defined using common sense and customary practice. School or Departmental Implementing Procedures may include a more specific definition of a day.
- **Compensation**
- Compensation for outside professional activities includes all types of remuneration (including stock and stock options) that have immediate or potential financial value, excluding customary honoraria, reimbursement for reasonable travel expenses, and per diem expenses

E. Annual Outside Professional Earnings Approval Threshold

Department procedures will include an annual outside professional earnings approval threshold. The maximum approval threshold for the School of Medicine is \$40,000 or 40% of the fiscal year base salary (scale 0), whichever is greater. With the Dean's approval, department procedures may set a lower annual approval threshold. Department Chairs must submit to the Dean written justification for a proposed lower threshold. Prior to the implementation or revision of a department approval threshold affected Plan participants shall be provided an opportunity to review and comment on the proposed threshold.

A Plan participant who has satisfied the good standing criteria, who has not exceeded the limit set on the number of days devoted to compensated outside professional activities, and whose annual earnings from all outside professional activities will be less than the department approval threshold, may engage in outside professional activities (other than patient care) in accordance with all applicable University policies without having to request prior approval from his or her Department Chair. It is the Plan participant's responsibility to bring to the attention of his or her Department Chair those activities that require advance approval,

Each Plan participant is responsible for maintaining a running total of his or her annual earnings from and time spent on all outside professional activities, whether they exceed the time or earnings threshold and whether the funds are due to the Plan. All Category I activities and requests to exceed the time or the earnings approval threshold require prior written approval from the Chancellor in advance of performing the activity.

A written request must be submitted to the Chair providing relevant details about the engagement, including:

- the nature of the services to be provided,
- the person or entity who will receive and/or pay for the service,
- the anticipated period of service and/or days to be devoted to the activity,
- the total expected income from the activity,
- and the amount by which the participant's total annual earnings from outside activities are expected to exceed the threshold.

Department Chairs shall forward to the Dean any request which requires review by the Dean and/or Chancellor. Department Chairs and/or Deans may approve Plan participants' requests to engage in outside professional activities, however only the Chancellor or the Chancellor's designee has the authority to approve any request which involves a Plan participant retaining earnings that exceed the maximum annual outside professional earnings approval threshold.

If a request is not approved, the Department Chair will advise the Plan participant whether: 1) the activity may be undertaken, but with all related income accruing to the Compensation Plan, or 2) the activity may not be undertaken at all.

After a Plan participant has received approval to engage in an activity which may cause his or her total annual earnings from outside professional activities to exceed the established department approval threshold, he or she must request the Department Chair's approval for any subsequent engagement(s). If such engagements are allowed, they shall be undertaken with all related income accruing to the Compensation Plan.

A Plan participant shall notify his or her Department Chair immediately if the time limit or dollar threshold is inadvertently exceeded or if any of the information provided in an approval request changes or becomes inaccurate; for example, a participant should immediately notify the Department Chair if the initial estimate of earnings from an outside professional activity turns out to be understated. Plan participants are subject to corrective action and disciplinary measures for violation, neglect or manipulation of Compensation Plan requirements. See Appendix III for additional information.

Income earned above the approval threshold, with the exception of income earned from Category III activities and certain other activities listed in APM-671-10b, must be deposited to the Plan.

F. Assessments on Income Derived from Outside Professional Activities

Assessments on income derived from Occasional Outside Professional Activities and deposited in a University account are as follows:

- Dean's Assessment - 5%
- Practice Development Assessment from University Physicians & Surgeons - 5%

G. Reporting of Outside Professional Activities

All faculty members must provide an annual attestation of adherence to departmental compensation plan procedures and a report of outside professional activities to their Department Chairs each year even if the faculty member did not engage in outside professional activities during the year. Faculty must report annually all Category I and II outside professional activities that were conducted during the prior 12 months, including activities conducted during normal service periods and during periods of leave with pay. All earnings derived from these activities must be reported as well. This report is to be submitted to the School of Medicine Dean's Office, Academic Affairs and Faculty Compensation Unit by November 15 of each year for the preceding fiscal year as part of the annual reconciliation process. The report will include, at a minimum, the following:

- Description of service performed
- Name of organization or person who received the service
- Type of organization (e.g. non-profit, for-profit, govt. agency, etc.)
- Amount of compensation
- Number of compensated days involved

Recalled faculty who are participants in the Health Sciences Compensation Plan and faculty who engage in outside professional activities while on approved leaves with pay, such as sabbatical and vacation, are bound by the terms of the Plan and must comply with requirements for disclosure. These activities, as well as outside professional activities performed during the evenings and weekends, count toward the annual time limits and earnings threshold.

H. Outside Professional Activities During Leaves Without Pay

Membership in the Plan is a term and condition of employment, and while Plan members are on approved leaves without pay, they remain employed by the University of California and are

bound by the terms of the Plan. Under no circumstances may a Plan member participate in patient care activities during an approved leave without pay.

All Plan members must obtain prior approval in order to engage in compensated or uncompensated outside professional activities during periods of leave without pay. During such periods of unpaid leave, in which prior approval to engage in outside professional activities has been granted, Plan members are not required to adhere to the time (21 days) or earnings (\$40,000 or 40% of X, whichever is greater) thresholds. In addition, Plan members are not required to include the outside professional activities, in which they engaged during the period of the approved leave without pay, on the annual report of the previous fiscal year's outside professional activities.

I. Limitations on Use of University Resources in Connection with Outside Professional Activities

The use of University staff, laboratories, facilities or other University resources in connection with outside professional activities is subject to limitations. The Faculty Code of Conduct, Part II, C lists the unauthorized use of University resources or facilities on a significant scale for personal, commercial, political, or religious purposes as a type of unacceptable conduct (ref. APM 015, Section II). The Standards of Ethical Conduct, as adopted by The Regents, state that University resources may only be used for activities that are undertaken on behalf of the University. The University's resources may not be used for private gain or for personal purposes.

Questions about the appropriate use of University resources and coverage under University liability programs should be discussed with the faculty member's Department Chair, who may consult with the Dean. The Dean will, if necessary, refer the questions to other appropriate University officers. In general, coverage under University liability programs will not be provided for activities where the Plan member retains the income.

J. Students

Involvement of students in the outside professional activities of a faculty member may, under certain conditions, offer the student potential educational benefits. However, the relationship between the faculty member and the student must be protected from influences or activities that could interfere with the student's learning and must be consistent with the goals and ideals of the University (The Faculty Code of Conduct, APM - 015). A faculty member involving a student in outside activities has the responsibility to ensure that the student's participation does not interfere with the student's academic obligations. If the faculty member has, or expects to have, academic responsibility (instructional, evaluative, or supervisory) for the student, the faculty member must obtain prior written approval from the Department Chair before involving a student in an outside professional activity regardless of whether the faculty member is compensated for or has a financial interest in the activity. Involvement of students means any substantive activity in which the student participates, whether the student is compensated or uncompensated. The involvement of a student in the outside professional activity of a faculty member must not affect, positively or negatively, the faculty member's evaluation of the student's performance in any other context.

K. Monitoring and Enforcement

The primary means of monitoring compliance will be review by Department Chairs and the Dean of information provided by the faculty member in annual reports on outside professional activities. If a Department Chair has any concerns about whether a Plan participant is meeting the established standards, the matter may be referred to the Dean. If the Department Chair or the Dean has reason to believe that a Plan participant has not complied with the procedures on outside professional activities, the Dean, after consultation with the Compensation Plan Advisory Committee, may take appropriate action to bring the plan member into compliance (see Section VII). Situations where Plan participants will be considered out of compliance with the guidelines on outside professional activities include, but are not limited to:

- Failure to turn over income due to the Plan as required by these Implementation Procedures and department compensation plan procedures.
- Failure to accurately disclose and describe the nature and scope of outside professional activities as required by these Implementation Procedures and department compensation plan procedures, including submission of an annual report.

If a Plan participant has been found to be not in compliance with these Procedures or department compensation plan procedures, the Dean may take appropriate corrective action (see Section VII). Such corrective action will not preclude sanctions or disciplinary measures in accordance with the Faculty Code of Conduct and Academic Senate Bylaws. Violations by Plan members of either the time limits or approval threshold on outside professional activities represent an unauthorized use of University resources and/or retention of funds belonging to the University. Such violations are subject to discipline in accordance with the Faculty Code of Conduct.

VII. NON-COMPLIANCE

The University reserves the right to impose administrative remedies and/or take corrective action and disciplinary measures toward any faculty member who fails to comply with Implementing Procedures on outside professional activities. Corrective action refers to the discontinuation of certain privileges available only to Plan participants, in particular the opportunity to earn and receive compensation above the fiscal year salary scale through the Plan.

Situations may develop in which members of the Plan will be considered not in compliance with the terms and conditions of the Plan. These situations may include, but are not limited to, the following:

- Failure to use a University approved billing service or departmentally managed billing service and/or failure to deposit income to the University.
- Refusal to submit a signed, accurate, and complete Annual Reconciliation Statement and all supporting documentation as required by the Plan.
- Failure to submit to the University all documents required for an audit.
- Failure to comply with department compensation plan procedures on Occasional Outside Professional Activities.
- Failure to remit income due to the Plan, as required by School Implementing Procedures.
- Failure to obtain prior written approval for Category I activities or for involving a student in outside professional activities.
- Failure to comply with time limits for Categories I and II activities.
- Failure to disclose and describe accurately the nature and scope of Categories I and II outside professional activities and earnings derived from those activities as required by School Implementing Procedures.

If the Department Chair or the Dean has reason to believe that a Plan member has not complied with the terms of the Plan, the Dean, after consultation with the Compensation Plan Advisory Committee, may take appropriate action to bring the plan member into compliance. This action may include, but is not limited to, any or all of the following:

- Reduce the plan member's total compensation by eliminating all optional additional compensation and reducing the member's salary to the Fiscal Year Salary Scale

(Scale 0) with the approval of the Chancellor. *Note: Per APM-671 -26 (b), Compensation established in accordance with the Health Sciences Compensation Salary Scales (X, X' compensation) shall not be reduced as a corrective action unless the faculty member is placed, by Chancery exception, on the fiscal year salary scale (scale 0).*

- Incentive or bonus compensation (Z compensation) may be suspended until such time as the faculty member complies with the provisions of the Plan and the provisions of the Implementing Procedures.
- Additional negotiated compensation (Y compensation) may be set with consideration of the faculty member's prior performance, including compliance with Implementing Procedures.
- Initiate steps to terminate employment, or other discipline in accordance with the procedures set forth in Academic Personnel Policy.
- Referral for appropriate legal action.

Reductions in compensation are not always the result of corrective action and may also occur for other reasons such as insufficiency of current year income and contingency reserves. Whenever there are reductions in compensation, faculty shall be notified in writing by the Department Chair. In addition, corrective action will not preclude administrative remedies, sanctions or disciplinary measures in accordance with APM - 016, University Policy on Faculty Conduct and the Administration of Discipline and APM - 150, Non-Senate Academic Appointees/Corrective Action and Dismissal. Violations by faculty members of either the time limits or earnings approval thresholds for outside professional activities represent an unauthorized use of University resources and/or retention of funds that belong to the University.

VIII. GRIEVANCE PROCEDURE

If a plan member believes that he/she is in compliance with the Plan, or that any action taken by the Dean pursuant to Section VII is not appropriate, or otherwise has grievances within the purview of the Plan, the plan member shall present to the Dean a written petition concerning the grievance. The petition should include sufficient information to describe the action complained of, the person who took the action, the adverse consequences suffered by the Plan member and the proposed remedy sought. The petition must be presented to the Dean within 30 days of the date the action was taken.

The Dean shall forward the grievance to the Compensation Plan Advisory Committee for hearing. The Compensation Plan Advisory Committee will appoint an ad hoc committee to investigate the appeal. The ad hoc committee may take written and oral evidence presented by the plan member and by the Department Chair and/or the Dean's Office. The Due Process requirements in Privilege and Tenure Hearings shall apply to the hearings of the ad hoc committee. The ad hoc committee will make written report of its findings and recommendations concerning resolution of the grievance to the Dean and the CPAC. The ad hoc committee must complete its review and submit its written report within 60 days of receipt of the grievance from the Dean.

Within 30 days of receipt of the ad hoc committee's written report, the Dean will render an opinion and notify all parties. The decision should be based on the terms of the Plan, any applicable Guidelines, University policies and procedures, and the record presented to the ad hoc committee, including documentary and oral evidence, if recorded.

In the event that, pursuant to Section VII, the Dean initiates termination of employment or other discipline governed by Academic Personnel Policy, the provisions of this Paragraph on Grievances shall not apply and, instead, the Plan member, the Dean and the Administration shall proceed in accordance with the requirements of Academic Personnel Policy. An Academic Senate member who is subject to corrective action has available to him or her a grievance process through the

Privilege and Tenure Committee as described in Academic Senate Bylaw 335. Other faculty may grieve through the provisions of Academic Personnel Policy 140.

IX. BENEFITS

No campus may offer faculty benefits beyond those which have been approved by The Regents. All benefits shall be provided in accordance with policies and/or guidelines issued or approved by the Office of the President. Each health sciences school and respective accounting office shall develop and provide a funding mechanism for support of all benefits made available under the provisions of this Plan, and this mechanism shall be included in the school Implementing Procedures established for administration of the Plan. All such benefits as described below and in related policies shall be provided uniformly within departments or divisions, as reviewed by their participants and as approved by the Dean.

A. Base Salary-Related Benefits

Base salary-related benefits are associated with an individual's salary from one of the Health Sciences Salary Scales. These benefits include participation in the UCRP, health care benefits, disability benefits, regular term life coverage, and other benefits as may be approved by The Regents. Base salary-related benefits will be made available to faculty members who are members of this Plan on the same basis as to all other members of the University faculty.

B. Paid Leave

Plan members who are eligible for sabbatical leave, leave with salary, or extended illness leave may be granted such leave paid at least the Health Sciences Scales Base Salary rate (X, X') as set forth in local Implementing Procedures. A Plan member who leaves University service or transfers from a vacation-accruing title to a non-accruing title shall be paid for accrued vacation at the Plan member's total negotiated salary rate at the time of separation or transfer.

With the exception of the two provisions below, or where explicitly stated in policy, members of the Plan are eligible for leaves as defined in APM - 710 - 760. Schools or departments that include provisions in Implementing Procedures for leaves shall clearly define the rate of pay, i.e. whether any additional leave will be paid more than the minimum base salary rate. In the absence of specific Implementing Procedures, the leave provisions as described in APM - 710 – 760 will be used.

1. Extended Illness

Members of the Plan who are appointed full-time to at least a twelve-month term who are unable to work for reasons of extended personal illness, injury, or disability shall be granted paid medical leave of up to six (6) weeks of consecutive or intermittent paid medical leave at the approved base salary (X+X') plus any earned Z income per fiscal year.

- a) Extended illness leave may not exceed the maximum time period allowable under APM - 710-11-a and b.
- b) Authority to review and approve requests for extended illness leave rests with the Chancellor. This authority may be redelegated.

2. Childbearing and Childrearing

Childbearing and childrearing leaves shall be approved consistent with APM - 760-25. In no case shall childbearing and childrearing leave be less than the minimum time period or base salary rate of pay as allotted under APM - 760-25-b.

X. AUTHORITY

A. President

1. The President or the President's designee shall have the authority to issue administrative guidelines and procedures further refining this Plan.
2. The President or the President's designee shall approve the inclusion or exclusion of a health sciences school, discipline, or specialty in the Plan, subsequent to the Chancellor's recommendation.

B. The Chancellor

1. The Chancellor shall submit school Implementing Procedures to the President or the President's designee for approval. Such authority may not be redelegated.
2. The Chancellor shall submit revisions to school Implementing Procedures within the limitations of the Plan to the President or the President's designee for approval. Such authority may not be redelegated.
3. The Chancellor shall approve exceptions to the provisions of the Plan to meet special teaching, research, or clinical service requirement.

XI. PROCEDURES/REVIEW PROCEDURES

A. Annual Notification

Once per fiscal year, the Department Chair or Unit Head shall provide each member of the Plan a written notification of the member's total annual compensation. This notification shall include:

1. The amount of UCRP-covered salary (X, and if applicable, X');
2. Which HSCP Salary Scale has been assigned to the Plan member's APU (X, X');
3. The amount of negotiated additional compensation (Y); and
4. The payment schedule for Incentive/Bonus compensation (Z) payments and the departmental and/or school assessment policy for Z payments.

B. Implementation

1. Revisions to school Implementing Procedures that are necessitated by revisions to the Plan shall be submitted for the President's or the President's designee's review within one year of approval of said Plan revisions. School Implementing Procedures may be made effective as of the effective date of such revisions to the Plan, or at any time thereafter, as authorized by the President or the President's designee.
2. The Dean is responsible for implementing and administering the school Plan, including the resolution of complaints and appeals.