June 13, 2023

Pradeep K. Khosla, PhD
Chancellor
UC San Diego
MC 0005

Dear Chancellor Khosla:

As per APM 670 and APM 671, we are sending a revision of the Implementation Procedures for the Health Sciences Compensation Plan and Conflict of Commitment and Outside Activities for your review, approval, and further submission to University of California Office of the President.

This current Implementation Procedures document was last approved March 20, 2015. This version is included as a reference in addition to the proposed revisions.

The new Implementation Procedures have been updated to reflect changes in both University of California policies and UC San Diego Health Sciences guidelines. These include:

1) Addition of the Herbert Wertheim School of Public Health and Human Longevity Science as part of the plan;
2) Updates to various Leaves policies in accordance with APM 700;
3) Updated references to APM 670 and APM 671;
4) Addition of a Health Sciences-wide minimum Good Standing Criteria;
5) Improved guidance and definition of appointments split between UC San Diego and VA San Diego Healthcare;
6) Definitions of “Constructive Receipt” to more clearly align with UC policies, and to fully comply with IRS regulations; and
7) Information on details of recording vacation use by Health Sciences faculty.

This document has been updated by extensive discussion and review of the Health Sciences Compensation Advisory Committee, which comprised faculty, staff, and Health Counsel representation. Additional input was provided by a separate committee focused on Leaves Policies. Both groups were facilitated by the Office of Health Sciences Academic Affairs under the direction of Drs. Robert Ross and Maripat Corr.

This information has been presented to our Health Sciences Faculty Council, School of Medicine Department Chairs, and additional leaders from each school. Their feedback and comments have also been incorporated into the final document. (Of note, these revisions remain separate from the various Clinical Compensation plans reviewed and updated annually by each Health Sciences unit.)
We fully support these important changes to the Implementation Procedures and will make ourselves available to you for any questions, suggestions, or concerns.

Sincerely,

John M. Carethers, MD
Vice Chancellor for Health Sciences

Steven R. Garfin, MD
Interim Dean, School of Medicine

Brookie Best, PharmD, MAS
Dean, Skaggs School of Pharmacy and Pharmaceutical Sciences

Cheryl A/M. Anderson, PhD, MPH
Dean, Herbert Wertheim School of Public Health and Human Longevity Science

cc:  M. Corr
     R. Ross
     E. Simmons

Attachments
Proposed HS Compensation Plan Implementation Procedures

Summary of Major Changes vs. prior approved revision of March 20, 2015.

a. Inclusion of Herbert Wertheim School of Public Health and Human Longevity Science (HWSPH), in addition to School of Medicine and Skaggs School of Pharmacy and Pharmaceutical Sciences (SSPPS).

b. Refers to latest updates of APM 670 and APM 671.

c. Inclusion of detailed information on minimum Good Standing Criteria, applicable to ALL Health Sciences Faculty, including details on how a faculty member would “fall out” of good standing and then be reinstated. (Appendix A)

d. Provides guidance / definitions on 100% appointment effort and UC/VA appointments, as well as notation that MSP Physicians are NOT members of the plan. (Section 3)

e. Provides more detailed information about compensation process within Health Sciences, including mention of Clinically-focused vs. Research-focused faculty, Assessments. (Section 4)

f. Definitions provided of Voluntary Medical Services and defines “Constructive Receipt” to improve IRS compliance. (Section 4)

g. Extensive update of Leaves section based on both APM 700 series policy updates in 2021 and most recently 02/10/2022, to improve equity across HS units. (Section 9)

h. Provides information on vacation use recording to be compliant with recent UCSD campus audit. (Section 9, ix)
1. INTRODUCTION

1.1 University of California, San Diego Health Sciences (HS), currently composed of its School of Medicine (SOM), Skaggs School of Pharmacy and Pharmaceutical Sciences (SSPPS) and Herbert Wertheim School of Public Health and Human Longevity Science (HWSPH) hereby amends the implementation procedures (the “Implementation Procedures”) for the Health Sciences Compensation Plan (the “Plan”) as jointly developed and approved in accordance with the Plan last approved in July 2015 and the Conflict of Commitment and Outside Activities of Plan Participants as approved by The Regents of the University of California. Since the last revision of this Plan, the HWSPH has been approved, and thus is added to the HS Plan.

1.2 The Implementation Procedures supplement Plan procedures. School and Department (“Units”) compensation plan procedures (“Procedures”) are developed in accordance with the Implementation Procedures. All School and Department Procedures must be reviewed and approved by the Vice Chancellor for Health Sciences (the “VCHS”) and the applicable School Dean, as appropriate, before implementation.

1.3 The Plan and the Implementation Procedures will be used in each Unit to foster academic balance among the joint responsibilities of teaching, research, patient care, and other public service responsibilities. Individual levels of compensation will be established so as to maintain this academic balance and to permit the recruitment and retention of the individuals necessary for each School to fulfill its missions at a level of excellence.

1.4 Plan participants may engage in occasional outside professional activities other than patient care and retain the related income only in accordance with the Guidelines and Implementation Procedures. 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 the entirety of their active service. The Implementation Procedures for Conflict Of Commitment and Outside Activities of Health Sciences Compensation Plan Participants as per University of California APM 671 policies.

1.5 In addition to the Implementation Procedures, Plan participants are also subject to the requirements of other University policies including, but not limited to: (i) the University’s Conflict of Interest Code, adopted pursuant to the requirements of the Political Reform Act of 1974, which requires designated University employees to disqualify themselves from participating in University decisions in which they have a personal financial interest and (ii) the Policy on Requirements to Submit Proposals and to Receive Awards for Grants and Contracts Through the University. 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. Department Procedures must reference the University’s Conflict of Interest Code, adopted pursuant to the requirements of the Political Reform Act of 1974 (see web site http://coi.ucsd.edu). Faculty can obtain information on the disclosure and disqualification requirements of the Political Reform Act of 1974, including the Academic Decision Regulation, from the campus Conflict of Interest Office.
1.6 Deans / Department Chairs are responsible for ensuring that all new and continuing eligible Plan members receive a copy of the Plan, these Implementation Procedures, and any related Department Compensation Plan Procedures.

2. REVIEW AND APPROVAL RESPONSIBILITY

2.1 The Implementation Procedures are developed to be consistent with the policy framework of the Plan. Affected Plan participants shall be afforded the opportunity to review and comment on any proposed revisions to the Implementation Procedures. This will include consultation with the joint HS Compensation Plan Advisory Committee (the “Advisory Committee”), as well as the HS Faculty Council. School Deans, the Vice Chancellor for Health Sciences (the “VCHS”), the Chancellor, and the President or the President’s designee shall approve all revisions. The VCHS shall administer local implementation. All School and Department Compensation Procedures shall be reviewed and approved by the applicable Dean and VCHS prior to implementation.

2.2 The Chancellor may approve individual exceptions to provisions of the Plan and to the Implementation Procedures to meet special teaching, research, public service, or clinical service requirements. Such exception requests shall be proposed by the appropriate Chairperson and approved by the applicable Deans, the VCHS and the Chancellor. The Advisory Committee shall be provided with the opportunity to review and comment on any such proposed exceptions prior to forwarding the exception request to the Chancellor.

2.3 Good Standing: Minimum Good Standing Criteria for all HSCP participants is presented below in Appendix A. Units may add additional content to this minimum criteria but may not reduce this core criteria. If so desired, additions shall be established in writing by each Unit and included in the Unit’s Compensation Plan Procedures. Good standing criteria are subject to review by the Advisory Committee in accordance with Section 5 herein, and they must be approved by the applicable Dean and the VCHS. Additions to good standing criteria might include, for example, additional Unit requirements for clinical coverage, teaching obligations, participation in Unit and University activities, and revenue generation. Plan participants must satisfy the good standing criteria in order to be allowed to earn and/or retain income from professional activities.

Information is provided in Appendix A on:

i. Description of Good Standing,
ii. Administrative Review of the determination of good standing of Plan Participants,
iii. Consequences if a plan participant is determined not to be in Good Standing,
iv. Procedures of how participants who fall out of good standing can return to good standing,

3. MEMBERSHIP IN THE PLAN

3.1 Eligible faculty are those with appointments of greater than fifty percent (51% or more) in the following professorial series:
Professor,
Professor-In-Residence,
Professor of Clinical X,
Adjunct Professor,
Health Sciences Clinical Professor,
Teaching Professor (Lecturer with Security of Employment (LSOE),
Acting Professor, and
Visiting Professor,
and other titles approved by the President.
3.2 A definition of 100% appointment effort of a faculty member in the plan includes efforts distributed amongst research/scholarship, teaching, service activities and clinical duties (as applicable) and not solely by effort in one of these areas. UCSD effort cannot exceed 100%. Departments shall clearly delineate efforts of all their faculty based on dedication to each of these areas, to define percent appointment in the HSCP for use in determination of various calculated credits such as service credit or leave accruals.

3.3 **UC/VA Split Appointments:** The University recognizes the total professional commitment to the University as 100%. Service at both the University and its affiliate, the Veterans Health Administration - San Diego (VA), provide eligibility for membership in the HSCP. Yet, University benefit and retirement coverage will be based only upon UC percent effort paid directly from the University payroll system.

3.4 MSP staff physicians appointed in a non-salaried faculty title are not eligible to participate in the HSCP.

3.5 Membership in the Plan is a term and condition of employment. Faculty members who are otherwise eligible for membership, but who have appointments of fifty percent (50%) or less of full-time, may participate in the plan upon the recommendation of the Department Chair and approval by the Dean of a Health Sciences school, and Vice Chancellor for Health Sciences.

3.6 As per the provisions of APM 205, retired faculty members who are recalled at a salary rate greater than base salary ($X, X’), regardless of percentage effort, are required to be members of the Plan. As members of the Plan, all of the terms and conditions of the Plan apply to them.

3.7 If the faculty position is funded by two or more Health Sciences Units, the faculty member shall be subject to the School / Department Compensation Plan Procedures in which the preponderance of her/his academic activities occurs. Exceptions to this policy must be recommended by the relevant Department Chair(s) and must be approved by the applicable Dean(s) and the VCHS.

3.8 Payment under the Health Sciences Compensation Plan will be made directly to the Plan participant in his/her individual capacity, and will not, absent prior approval from the President or the President’s designee, be made to any professional corporation or other legal entity maintained by the participant.

3.9 By statutory requirement and associated Regental policy, membership in the Plan is a term and condition of employment. Deans and Department Chairs are responsible for ensuring that all new and continuing eligible Plan members receive a copy of the Plan, the Implementation Procedures, and any related Department Compensation Plan Procedures.

4. **COMPENSATION-RELATED IMPLEMENTATION PROCEDURES**

4.1 **General Process:** Health Science Units begin planning faculty salaries each January. Annual discussions should take place between each faculty member and appropriate leaders, as below, to outline elements used to fund the faculty member’s salary. Any outstanding issues that the faculty member may have related to the Unit’s Good Standing Criteria, as outlined below, are also addressed at this time. These discussions will include all principles outlined by the policy-driven HSCP included in this document, and as applicable, the Unit’s Clinical Compensation plan. Faculty salaries as modeled in the Unit’s budget document, are implemented after approval by the respective Dean. With this approval, the faculty member will receive a letter documenting their respective salary components for the academic year from their Unit. This information documents the faculty member’s Total Negotiated Salary for the noted academic year.

This full process is typically complete by July of each fiscal year. **Mid-year re-negotiations of salary are permitted only under unusual circumstances.** For an exception to be granted, approval must be obtained from the Chair and the Dean, prior to implementation.
4.2 Annual Negotiation Process:

i. **Clinically-focused faculty:** Faculty members participating who have a prime focus in clinical activities meet with the Dean / Chair or as applicable, designated Division Chief, and the Department Business Officer (DBO) or Division Administrator (DA), to discuss projected salary support based on all components as detailed in the separate clinical faculty compensation plan for their unit.

Other sources of salary support can include those listed below in 4.5 Salary Sources. While the discussion will center on clinically related compensation for these faculty, details of academic measures, success, and progress, should also be addressed at this meeting based on available benchmarks and best practices.

ii. **Research-focused faculty:** Research focused faculty meet with the Dean / Chair or as applicable, designated Division Chief, and the DBO or DA, to similarly discuss sources of salary support for the coming fiscal year. Research-focused faculty will principally discuss sources of salary support including those listed below in 4.5 Salary Sources. They may have clinical income to discuss, identical to that outlined above for clinically focused faculty. This meeting will also focus on research productivity, details of all academic measures, success, and progress, based on available benchmarks, and best practices.

4.3 **Shortfalls:** Should a faculty member not have sufficient resources to maintain the current level of appointment, Faculty effort will be reduced, as possible, in accordance with University policies or an individualized Memorandum of Understanding (MOU), which varies by appointed series. In addition, the Bridge Funding Policy for each unit should be considered as outlined in their Unit template.

4.4 **Base Salary:** Base salary is the approved rate on one of the Health Sciences Compensation Plan Salary Scales associated with a faculty member’s academic rank and step, as well as Academic Program Unit (APU), as listed below. (See APM 670) Base 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.

\[
X = \text{Fiscal Year Salary Scale (HSCP, Scale 0)} \\
X’ = \text{the differential between } X \text{ (Scale 0) and the faculty member’s rank and step on the HSCP Salary scale assigned to the faculty member’s APU}
\]

VA salary is paid through a different paymaster directly to the faculty. VA effort may be considered as part of a faculty's overall appointment percentage to allow the faculty member to participate in the Compensation Plan. VA pay does not contribute towards retirement or benefits provided by the UC system, as only pay directly received by faculty from the University of California, will be attributed by the University towards retirement or benefits. The UC/VA Split Appointment Plan allows the University to provide benefit and retirement coverage only in proportion to the University-derived wages eligible for covered compensation.

4.5 **Salary Sources:** All confirmed support for X, X’ and Y salary components for each faculty are identified prospectively, and may include sources from:

- FTE allocation
- Salary from grants awarded.
- Clinical income as outlined in the Clinical Compensation Plan
- Admin Service Components (e.g., Medical Directorships, Residency Director)
- Clinical Trials income.
- Rady Children’s Hospital San Diego
- Teaching
- Service Agreements or other contracts
- Start-up funds/support provided by institutions/departments for those newly hired
- Other sources, such as Consulting, Witness fees, or other outside professional activities (see below) which may require contractual agreements put in place through the HS Vice Chancellor’s office
4.6 **Optional Additional Compensation:** Unit-specific Implementing Procedures from Schools, Departments, Divisions and/or APUs within a Unit, may provide for the payment of additional compensation. Prior to implementing or revising these specific Implementing Procedures, affected Plan participants and the Advisory Committee shall be afforded the opportunity to review and comment on the proposed Procedures.

i. **Negotiated additional compensation (Y):** Plan members may receive a negotiated amount of additional compensation. The Unit head (e.g., Dean, Chair / Division Chief) shall consider total contribution of the faculty member, including teaching, research, and professional, University, and public service. **This component of pay is beyond the base salary and is not covered compensation for UCRP.**

ii. **Incentive / Bonus Compensation (Z):** All HSCP plan members are eligible and may receive compensation in the form of a "Z" payment. This is not covered compensation for UCRP. Some Units may differentiate between "negotiated" Z and incentive/bonus Z. The "negotiated" Z is compensation related to normal expected activities (e.g., standard productivity expectations, leadership roles) paid via Z compensation. This "negotiated" Z is defined during annual salary review based on Unit-specific compensation criteria and is subject to adjustment if standard expectations are not met. The incentive/bonus Z is variable and not typically defined during the annual salary review process. It is based on exceeding defined targets and/or activities and calculated throughout the year based on productivity or volume of activities.

iii. **Each Unit’s clinical compensation plan(s) are evaluated and approved separately by the UCSD Health Clinical Compensation Committee.** When approved, these documents will be made available online for use of HSCP participants each year. These separate documents detail the parameters for clinical income and associated incentives.

iv. Non-clinical incentives can also be disbursed based on the availability of funds as outlined in a Unit’s individual plan.

4.7 **Academic Program Units (APU):** APUs are a group of five or more HSCP faculty members whose activities are programmatically alike. An APU shall comprise faculty with similar clinical, teaching and research responsibilities. The characteristics of the group, i.e., type of activity, potential for income, etc., should be used to determine the base salary scale. APUs cannot be solely or primarily based on earnings levels but must be defined academically. All members of an APU group share the same salary scale. Departments may have multiple APUs that align with differing salary scales.

The Vice-Chancellor Health Sciences (or designee) is authorized to approve creation or change of an APU by a Unit, the faculty composition of each APU and assignment of the associated salary scale to that unit, subsequent to a request from a Dean or a recommendation from a Dean in response to a request from a Department Chair. APU definitions and guidelines can be found at: [https://go.ucsd.edu/3npjqmo](https://go.ucsd.edu/3npjqmo).

4.8 **Department / School Assessments:** All Department/Unit guidelines must detail the methodology for calculating any departmental/unit assessments (taxes). Examples of these assessments include:

i. FTE taxes,

ii. Y tax,

iii. Taxes on Institutional agreements, lab services agreements, business contracting, etc.

4.9 **Conflict Of Commitment and Outside Activities of Health Sciences Compensation Plan Participants:**

i. Outside Professional Activities and associated appraisal of Conflict of Commitment of HSCP participants are governed fully by APM 671 and require annual reporting of all activities, or lack thereof, in the University of California Outside Activities Reporting (UC-OATS) system. Types of activities (Category 1, 2 and 3) and need for prior approval (Category 1 activities only) are as noted on the UC OATS
ii. **Income:** Outside income brought through the compensation plan will be returned to the faculty member generating it, based upon policy outlined in University of California Academic Personnel Manual (APM) 671. For **activities where compensation is retained directly by the faculty, there is no assurance that faculty will be indemnified for those activities.**

iii. **Thresholds:** Any time spent on outside professional activities counts toward the maximum time threshold allowance of 48 days, regardless of the appointed percentage of effort to the HSCP. Any income earned directly from outside professional activities may be retained up to $40,000 or 40% of base salary (X component, scale 0), whichever is larger. These thresholds apply to outside activities performed during usual work periods, and in the evenings, on the weekend, and while on approved leaves with or without pay such as sabbatical and vacation.

(NB: Time and Earnings thresholds do not apply to a specific approved leave activity, but any other non-approved activities that are pursued while on an approved leave, will count towards these thresholds.)

iv. **Above Threshold Exceptions:** If a Plan participant wishes to engage in an activity that might reasonably be expected to cause his or her total annual earnings from outside professional activities to exceed the approval threshold, then the Plan participant must request approval to engage in the activity per APM 671-8.e-Exception Requests. Plan participants should notify the Unit head (Chair /Dean) immediately if they inadvertently exceed the time limits or earnings threshold or if any of the information, they provided in the approved request changes or becomes inaccurate. Department Chairs will forward all exception requests to the Dean(s) and VCHS. The Dean will recommend to the Chancellor or Chancellor’s designee whether to approve any exceptional request.

v. **Taxes:** When such income is brought through the plan, it is subject to taxes (see 4.8 above and also taxes noted in appended Unit-specific plans). The net income may then be paid to the faculty member or placed into an Academic Enrichment Account to be used for University endorsed expenditures, dependent on the faculty member’s annual election of fund distribution, as outlined in **4.10 (Constructive Receipt)** and **4.11 (Distribution of Income Deposited to the Plan).** Retained income over the threshold is subject to an assessment that is deposited into a central VCHS Academic Enrichment Fund. Current university assessments are detailed at [https://go.ucsd.edu/3npjqmo](https://go.ucsd.edu/3npjqmo).

vi. **Reporting:** Outside income must be reported via the University of California Outside Activity Tracking System (UC OATS) at [https://ucsd.ucoats.org](https://ucsd.ucoats.org). This is required for adherence to **Good Standing Criteria (see Attachment A).** Members participating in the HSCP need to be in compliance with UC OATS reporting requirements.

vii. **Recall:** Faculty who have retired and are recalled to active service for appointments, which are limited to at or less than 43 percent time (as per APM 205) and who are participants in the Plan, are subject to the provisions of APM 671.

viii. **Leaves and Outside Activities:** Faculty who are approved for a leave without pay must comply with requirements for disclosure, prior approval, and annual reporting for outside professional activities and earnings during periods of leave without pay.

ix. **Clinical Care:** All clinical and/or patient care activities performed by University of California Faculty must be provided within the University setting or as part of an approved affiliation agreement or Professional Service Agreement. All clinical income is due the Plan. In no case are Plan Participants allowed to retain income from patient or clinical care activities. Voluntary medical services provided by faculty are NOT considered an outside activity if they are approved by the School Dean or Department Chair (as applicable) and a UCSD Certificate of Insurance for non-UCSD locations is obtained.

x. **Liability Coverage:** University liability and workers compensation coverage does not
extend to activities that are outside the course or scope of the participant’s University employment. Questions about liability coverage in regard to any outside activity should be discussed with the appropriate health sciences, campus or systemwide Risk Management offices, as needed.

x. **Voluntary Medical Services:** The UC San Diego Health System is part of the self-insured professional liability program established by the Regents of the University of California. In general, practitioners are covered by this policy if engaged in University duties or University directed activities that are within the course and scope of their employment or appointment. Coverage is also occurrence based. Coverage does not apply to activities pursued at non-University owned healthcare facilities unless they are pursuant to a written affiliation agreement approved by the University, executed in accordance with University policy. Moonlighting is not covered and not allowed. If there is no contract or agreement, the School Dean or Department Chair can approve of the activities by signing the Chair Authorization Form and submitting it to Risk Management for approval.

xi. **Compliance:** Plan participants must abide by the provisions of the Plan regarding both time and income limitations on outside professional activity. Failure to do so will result in review of the issue/complaint by the Outside Professional Activity Group (OPAG). OPAG will work with the faculty member and responsible unit head (Department Chair/School Dean) to resolve the issue. OPAG may refer the issue to Health Science Compliance to initiate a formal investigation. If the issue remains unresolved it will be referred to the responsible Dean and/or VCHS who may resolve the matter informally, refer the matter to other offices for investigation, or initiate disciplinary actions. The faculty member may file a grievance as outlined in Appendix A, Good Standing Criteria.

xii. **Compliance:** Plan participants must abide by the provisions of the Plan regarding both time and income limitations on outside professional activity. Failure to do so will result in review of the issue/complaint by the Outside Professional Activity Group (OPAG). OPAG will work with the faculty member and responsible unit head (Department Chair/School Dean) to resolve the issue. OPAG may refer the issue to Health Science Compliance to initiate a formal investigation. If the issue remains unresolved it will be referred to the responsible Dean and/or VCHS who may resolve the matter informally, refer the matter to other offices for investigation, or initiate disciplinary actions. The faculty member may file a grievance as outlined in Appendix A, Good Standing Criteria.

4.10 **Constructive Receipt:** The concept of Constructive Receipt as outlined by the Internal Revenue Service (IRS), is applicable to income from outside professional activities, as well as other internal funds at the point it is identified as earned income and “Constructively Received.” Income is considered to be “Constructively Received” when it is credited to an individual’s account, or made available to them without restriction, even if they have not physically received it or taken possession of it. If an individual authorizes someone to receive income for them, then it is considered that the income has been received by that individual, even if the agent is in possession of the income. An individual has NOT constructively received the income if control of the income is “substantially restricted or limited” (e.g. funds at the control of the department).

4.11 **Distribution of Income Deposited to the Plan:** Faculty have the option of depositing income from outside professional activities, as well as other income earned in excess of negotiated compensation into an Academic Enrichment Account. Academic Enrichment Accounts are established for the purpose of supporting the academic activities of the Plan Participant by allowing direct charge or reimbursement for business-related expenses consistent with University accounting guidelines.

To the extent he or she wishes to participate, by May 31 of the fiscal year prior to which the income will be earned, each Plan Participant may make a written request to his/her Chair/Director with respect to one of the following options for allocation of income accumulated in the plan. After review, and if approved by the Plan Participant’s Chair/Director (which approval shall be in writing), such requested allocation will then remain in effect for the forthcoming fiscal year (July 1 – June 30). Changes are not permitted under any circumstances until the following fiscal year.

**Options for allocation of outside income brought through the HSCP:**

**Option A: Z Payment** – Income is paid as “Z” payment minus applicable assessments. The payment schedule (e.g., annual, quarterly, monthly basis following the close of each period) will be based on Unit procedures as outlined in each Unit’s individual compensation plan templates.

A “Z” payment may be paid earlier than the specified payment schedule if the Plan Participant retires or separates from University employment or upon approval of the Dean / Chair.

*Option A is the default option. It will be implemented each year for Plan Participants who do not select in writing.*
and secure approval for another option (i.e., Option B or Option C, below).

**Option B: Academic Enrichment Fund (AEF)** - Income is requested to be allocated to an AEF. Account funds may be used to support University-approved academic professional activities by reimbursing expenses that can be characterized as either: (1) an allowable direct charge or (2) reimbursable University-related business expenses incurred and documented consistent with University business and finance bulletins and accounting guidelines in support of the Plan Participant’s academic work. **Once funds are allocated to an AEF, they may never be used subsequently for faculty salary support.** If the Plan Participant retires or separates from University employment, the unexpended balance, if any, remains the property of the University. Funds may be allocated to an AEF under the conditions described more **fully below in the Section titled Conditions Governing Allocations to AEFs.**

**Option C: Designated Academic Enrichment Fund and Z Payment** - A defined part (flat dollar amount or percentage) of the remaining income is requested to be allocated to an AEF and the remainder is paid to the Plan Participant as a “Z” payment. Each part is subject to the restrictions described in Option A or Option B, as applicable.

**Conditions Governing Allocations of Income to Academic Enrichment Funds**

a. A Chair may submit a written request to their respective Dean’s Office to allocate funds for the upcoming fiscal year to an AEF. The Dean or the Dean’s designee must confirm his/her approval, if forthcoming, in writing.

b. Disposition of the funds in an AEF is under the auspices of the unit. The Chancellor or the Chancellor’s designee, through the Dean / Chair, has final authority over the use and distribution of funds held in an AEF.

c. **Once a request that funds be allocated to an AEF has been approved, the Plan Participant cannot change the designation of such funds.**

d. The HS Unit (School / Department) must maintain detailed records that are readily available for audit and other appropriate reviews and support the allowable nature of the reimbursable academic professional expenses that are paid from the AEF. Plan Participants must submit all required supporting documentation for reimbursement consistent with University accounting guidelines. Unspent travel advances or any other disallowed amounts charged to the AEF must be repaid by the Plan Participant consistent with University accounting guidelines.

e. An AEF can maintain a positive balance at the end of an academic year that may be carried forward to the next academic year, if approved by the Dean / Chair, in his or her discretion. Disposition of year-end positive balance is communicated annually to the Plan Participant at the time requests for allocations to AEFs are made.

f. In the event of termination of employment, any outstanding account receivables shall be treated consistent with the Plan Participant’s compensation arrangement. Specifically, receivables originated by Plan Participants without incentive/bonus compensation are the property of the University. AEF funds remain the property of the University. Receivables of Plan Participants with incentive/bonus compensation are handled in accord with department/unit guidelines. All incentive/bonus compensation, including payments for outstanding account receivables, will be paid through the University’s payroll system.

g. **Procedures Applicable To Termination of Employment Circumstances:** Termination from employment shall follow all relevant and applicable University policies and procedures. In the event of termination of employment, any outstanding account receivables will be treated in accordance with the compensation arrangement of the individual faculty member, but all receivables will be the property of the University. Receivables for those with Optional Incentive/Bonus Compensation will be handled in accordance with Department Procedures. All compensation, including any compensation calculated based on any outstanding account receivables, must be paid through the University of California payroll system.

5. COMPENSATION PLAN ADVISORY COMMITTEE
5.1 The Advisory Committee will assist the VCHS in resolving issues on outside professional activity. The Faculty Council will nominate and elect faculty to fill four positions on the Advisory Committee. At least one elected faculty member must have a Ph.D. The VCHS will appoint four additional members, at least one of whom must have a Ph.D. At least one representative must be elected or appointed from both SSPPS and HWSPH.

5.2 Both the elected or appointed Advisory Committee members are limited to four consecutive one-year terms, and initial terms will be staggered to ensure continuity. The Advisory Committee’s functions include:

1) Advising the VCHS on these Implementation Procedures and good standing criteria;
2) The processes for developing Unit-specific (School / Department / Division) Implementing Procedures, including methods for obtaining faculty input and for determining consistency with HS/School Implementing Procedures; and
3) Mechanisms for hearing faculty grievances with regard to the administration of these Implementation Procedures.

5.3 The Advisory Committee shall meet at least annually with representatives of at least four Units (Schools or Departments) to review Procedures for compliance with outside activity guidelines. Every Unit within HS should be reviewed at least once every four years.

6. COMPLAINTS AND APPEALS PROCEDURES

6.1 Faculty who have complaints about issues related to provisions of the Plan or its implementation in their unit should first try to have the issues resolved at the unit level. If the complaints cannot be resolved through such discussions, the faculty member’s complaints and the Department Chair’s response should be memorialized in writing. If the faculty member is dissatisfied with the department’s decision, he or she should discuss this concern with a representative from the Health Sciences Faculty Affairs Office who can direct the faculty member as to where to file a further formal complaint for further evaluation.

As needed, a representative from the Health Sciences Faculty Affairs Office can present the case for consideration to the HS Compensation Advisory Committee. Both the complainant and the complainant’s Dean, Chair or designee, will have the right to be heard by the Advisory Committee. The Advisory Committee will issue a formal recommendation for consideration by the applicable Dean(s), and then the VCHS for final decision. If the faculty member is dissatisfied with the VCHS’ decision, she or he can pursue administrative remedies through applicable University academic personnel processes.

6.2 To ensure that the formal complaint process is fair and impartial, Advisory Committee members shall excuse themselves from deliberation on any single complaint if the Advisory Committee member has already participated in an administrative review of the action being considered in the grievance process or if there is a conflict of interest.

7. DISCIPLINARY ACTION RELATED TO IMPLEMENTATION PROCEDURES

7.1 The University reserves the right to take corrective action and disciplinary measures against any Plan member who violates, neglects, or manipulates Compensation Plan requirements, subject to normal academic personnel policies and rules. Dean or Department Chairs(s) must notify the Faculty Matters Committee if they believe a Plan participant has violated, neglected, or manipulated Compensation Plan requirements. Any Plan member being subjected to corrective actions will be so informed in writing by an appropriate University official at least thirty days in advance of the implementation of the action or measure. Situations where Plan members will be considered out of compliance include, but are not limited to, failure to turn over income due to the Plan as required by the Implementation Procedures and failure to accurately disclose and describe the nature and scope of outside
professional activity as required by the Implementation Procedures.

7.2 The Advisory Committee will review disputes about corrective action related to the Implementation Procedures and make recommendations to the applicable Dean and the VCHS. Corrective action refers to termination of certain privileges available to Plan members, including the opportunity to earn and receive compensation above the fiscal year salary scale through the Plan, because of noncompliance. For example, corrective action may include incentive or bonus compensation (Z) termination until such time as a Plan member complies with the Plan provisions, or adjustment of negotiated compensation (Y), both with consideration of the Plan member’s prior performance and compliance with these Implementation Procedures and Department Compensation Plan Procedures. Compensation established in accordance with the specialized Health Sciences Salary Scales (or base salary) shall not be reduced as a corrective action unless the Plan member is placed, by exception granted from the Chancellor, on the fiscal year salary scale. Whenever a reduction in compensation is a result of corrective action related to outside activities, the faculty member will be so notified in writing. Corrective action will not preclude sanctions or disciplinary measures in accordance with the Faculty Code of Conduct or Academic Senate Bylaws (see https://aps.ucsd.edu) Violations by Plan members of either the time limit or approval limits on outside professional activities represent an unauthorized use of University resources or retention of funds belonging to the University. Such violations are subject to discipline in accordance with the Faculty Code of Conduct. Academic Senate members subject to corrective action under these Procedures have available to them a grievance process through the Privilege and Tenure Committee as described in the San Diego Division of the Academic Senate’s Bylaw 230. (see https://senate.ucsd.edu/Operating- Procedures/Senate- Manual/bylaws/230) Other faculty may file a grievance under Academic Personnel Policy 140 (http://www.ucop.edu/academic- personnel/_files/apm/apm-140.pdf)

8. BENEFITS

8.1 Base Salary-Related Benefits: Base Salary-Related Benefits are associated with an individual's salary from one of the Health Sciences Salary Scales (APU Scales 0 through 9), paid through the University of California payroll system. These benefits include participation in the UCRP, health care insurance, disability insurance, regular term life insurance, and other benefits as may be approved by The Regents. Base Salary benefits will be available to faculty members who are members of this Plan on the same basis as to all other members of the University’s faculty. No State funds shall be used for any portion of benefit expenses applicable to compensation above Fiscal Year salary (Scale 0). Any required contribution to the Health Sciences retirement reserve fund on the portion of Base Salary above Scale 3 cannot be charged to State funds and will be charged to the appropriate School / Department/ Division fund account.

8.2 Optional Benefit Programs: The Regents have authorized disability and life insurance benefit programs related to health sciences additional compensation beyond base salary. These programs must be approved by the Office of Human Resources, Office of the President. Policies governing optional disability and life insurance programs on additional compensation are available from that office.

9. PAID AND UNPAID LEAVE BENEFITS

9.1 Leave Standards: This information provides standards for leaves requirements for all Health Sciences Units, i.e., Schools, Departments and Divisions. No Unit may reduce faculty benefits from those approved by The Regents for faculty members in the University, except as outlined by Units for Sabbatical and Leave in Lieu of Sabbatical leaves. Extended Illness Leave, Childbearing Leave, Childrearing Leave, Bereavement Leave and Jury Duty leave with pay are provided uniformly and equitably for all Plan Participants.

In order to ensure minimal disruption to University activities, including but not limited to, patient care, formal course instruction and other trainee supervision, laboratory efficiency and productivity, and other applicable University duties, the faculty member who is anticipating an upcoming and predictable leave of absence should notify their Unit as soon as practical, with at least 3 months and ideally 6 months’ notice being preferred,
particularly for extended leaves. The unpredictability of certain leave types such as Bereavement or Extended Illness leaves, as examples, are clearly understood. **Plan Participants are encouraged to enroll in voluntary disability coverage at the time of their Period of Initial Eligibility.**

Family accommodation and personal illness leaves must be documented on a Family Accommodations Reporting (FAR) form. The Plan Participant must provide appropriate documentation as required for Family Medical Leave Act (FMLA) approval. The HS Unit will require a healthcare provider certification from a medical care provider attesting to the need for the leave.

Plan Participants who wish to take a leave of absence with or without compensation will follow the HS Unit’s guidelines and will present a written request to the Unit leader (Dean / Department Chair), in advance. The [Dean / Department Chair] will secure other approvals from appropriate campus officials in accordance with UC Academic Personnel Policies outlined in the 700 series of the UC Academic Personnel Manual (APM), and the UC San Diego Family Accommodations Policy outlined in the UC San Diego Policy and Procedure Manual (see PPM 230-15). The Dean / Department Chair is under no obligation to approve a leave of absence but will not withhold approval unreasonably and must adhere to University and State established policies and procedures. If approval of a leave is granted, faculty need to be aware that it may result in a reduction to the Plan Participant’s salary and benefits.

**The leave rates used below are:**

1. **Health Sciences Scale Base Salary** (X, and, if applicable, X’) and/or
2. **Pre-incentive Salary** (X, and, if applicable, X’ + Y, and Negotiated Z – i.e. Z pay without bonuses or incentives).

An additional pay option, **Pay for Family Care and Bonding (PFCB)**, provided by APM 715 and 760 may be chosen by Plan Participants to pay for eligible leaves. PFCB is a wage replacement program offered by the University of California. Effective January 1, 2023, faculty may be eligible for 100% of their Health Sciences Scale Base Salary (X+X’) for specific types of Family and Medical Leaves (FML). PFCB is available for up to 8 work weeks per calendar year. To determine the interaction between PFCB and HSCP benefits, the Academic Resource Center should be consulted.

Plan Participants remain members of the Health Sciences Compensation Plan while on paid leave, even if their salary is decreased to base salary (X, X’). While on paid leave, they are bound by all rules of the Plan and the Health Sciences Implementing Procedures, including but not limited to policies related to income due the Plan.

A Plan Participant 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 Participant’s total negotiated salary (X, and, if applicable X’, + Y) at the time of separation or the when the reduction is considered permanent.

**9.2 Leave details applicable to all Plan Participants:**

i. **Extended Illness Leave:** Extended illness is defined as a health condition resulting in absence for more than two weeks. This leave must be documented on a Leave of Absence form and when appropriate, will be designated as Family Medical Leave (FMLA). Per University policy, **faculty do not accrue sick leave.** Thus, if faculty are sick for two weeks or less, they may use vacation leave to cover salary or take a leave without pay.

All Plan Participants who are unable to work for reasons of extended personal illness, injury or disability shall be granted paid medical leave consecutively or intermittently, for the period outlined below. Faculty members with term appointments will not be granted paid medical leave beyond the end date of the term appointment except in cases of reappointment.

**Extended Illness Leave will be provided for up to** six (6) weeks consecutive or intermittent paid medical leave with each ten (10) year period of University of California service, for personal illness, injury, or
disability. Plan Participants will receive Pre-incentive salary (X, X’+Y, and Negotiated Z) for the leave period.

Paid medical leave does not accrue. Therefore, if it is not used, it does not carry over to subsequent ten (10) year periods and does not convert to University of California Retirement Plan (UCRP) service credit upon retirement. Each ten (10) year period starts a new period of paid medical leave eligibility.

**Plan Participants who are unable to return to work after using their extended illness leave will no longer be paid by the Department / School.** Plan Participants may also be eligible for employer-paid Basic Disability benefits and, if enrolled, for University of California employee-paid Voluntary Short-Term or Voluntary Long-Term Disability Insurance benefits.

### ii. Childbearing Leave

Childbearing leave is for a Plan Participant who holds a 12-month appointment and bears a child or children regardless of academic series or months of service. Childbearing leave shall consist of time the Plan Participant is temporarily disabled because of pregnancy, childbirth, or related medical conditions (including prenatal care) as determined by health care provider certification of disability due to pregnancy (APM 760-25). The birth of one or more children at the same time constitutes a single event of birth.

The Plan Participant will be granted twelve (12) weeks (84 consecutive calendar days) of paid childbearing leave at their **Pre-incentive Salary (X, X’ + Y, and Negotiated Z)**. If the period of temporary disability related to pregnancy, childbirth or related medical conditions lasts less than 12 weeks, the remaining period of paid childbearing leave (for a leave in progress), may be used for bonding, up to the maximum period of 12 weeks (84 consecutive calendar days). Paid childbearing leave will be allocated in one 12-week block (84 consecutive calendar days). At the direction of the Plan Participant’s health care provider, the childbearing leave may be allocated in intermittent periods, consistent with the provider’s medical recommendations and the Plan Participant’s eligibility for Family and Medical Leave (FML). If the Plan Participant cannot return after 12 weeks of childbearing leave and qualifies for additional leave on the basis of medical need, the period of childbearing leave may be followed by extended illness leave, and, if necessary, any disability benefits which may apply.

A Plan Participant who bears a child is also eligible for full or part-time childrearing leave without pay (APM 760-27) and a period of Active Service-Modified Duties (APM 760-28). At the Plan Participant’s request, accrued vacation shall be substituted for unpaid parental leave. Parental leave must be taken within 12 months of the birth, adoption or placement of a child.

### iii. Childrearing (Parental Bonding) Leave with Pay

**Non-birth parent:** Childrearing leave is provided for a Plan Participant who holds a 12-month appointment and is the non-birth parent who has responsibility for the care of a child or for a child newly placed in the appointee’s home. The child may be the appointee’s biological or adopted child or that of a spouse or domestic partner. Placement of one or more children at the same time constitutes a single placement event. The Plan Participant will be granted up to twelve (12) weeks (84 consecutive calendar days) of paid parental bonding leave to be taken in two six-week blocks of continuous full-time or fixed part-time leave. The first six-week block will be paid at Pre-incentive salary (X, X’, Y, Negotiated Z). The second six-week block will be paid at base salary (X, X’). Paid leave blocks should be used consecutively and must be used within 12 months of the birth, adoption or placement of a child.

a. **Birth parent:** See childbearing section above. If childbearing (9.2.ii) leave is not taken as above, plan participants may use available Pay for Family Care and Bonding (PFCB), or vacation time as allowed by policy. Parental bonding leave may be started up to 12 months following the birth or placement of an eligible child in the Plan Participant’s home.

### iv. Family Leave without Pay

Plan Participants are eligible for up to one (1) year of **unpaid** family leave. As applicable, accrued vacation or Pay for Family Care and Bonding (PFCB) if eligible as per APM 715
and 760, may be used in lieu of unpaid leave. Family leave without pay must be used within 12 months of birth or adoption.

v. **Bereavement Leave:** Plan Participants are entitled for up to ten (10) days for the passing of a family member or member of the household per APM 758-0.b policy, and five (5) days for a non-family member. The Unit will provide paid leave at the Plan Member’s base salary (X, X’, Y, Negotiated Z) rate, per APM 758-0.b policy.

vi. **Jury Duty:** Plan Participants are eligible for paid leave when serving for required jury duty. The Unit will provide paid leave at the Plan Member’s base salary (X, X’, Y, Negotiated Z) and appointment percentage for the period of actual service per APM 758-0.c policy.

vii. **Sabbatical Leave:** Is only applicable to Ladder-Rank faculty and LSOE only. Plan Participants will be paid at a minimum, their base salary (X, X’) while on sabbatical leave. Plan Participants remain members of the Compensation Plan and are subject to all of its requirements while on sabbatical leave, included but not limited to those pertaining to outside professional activity and income, intellectual property, and conflict of commitment.

viii. **Leave in Lieu of Sabbatical:** Plan participants appointed in faculty series other than Ladder-rank and LSOE, (i.e., In Residence, Clinical X, salaried Adjunct and salaried HS Clinical series) are not eligible for sabbatical leave. However, they may take a Leave in Lieu of Sabbatical if appropriate funding is available, see PPM 230-10.II.H.

ix. **Vacation Leave:** APM 730-18 and PPM 395:

a. Academic personnel appointed on a fiscal-year basis accrue vacation at the rate of two (2) working days per month for full-time service.
   1. Fiscal-year appointees at 50 percent (50%) or more accrue vacation at a proportionate rate.
   2. Fiscal-year appointees at less than 50 percent (50%) time do not accrue vacation.

b. University administrative holidays are not considered vacation days and shall not be charged against a faculty member’s vacation time.

c. Vacation shall not accrue during a leave of absence without salary.

d. Vacation credit may accumulate to a maximum of forty-eight (48) working days for full-time employees.

e. The maximum accumulation for appointees working half-time or over (50% or above), is the same maximum number of days as that of full-time employees.

f. The department is required to maintain vacation records of Plan Participants who accrue vacation leave. Unless specifically exempt from the timekeeping System, each Plan Participant must log into the timekeeping system on a monthly basis to certify her/his vacation time. Even if no leave is taken, each Plan Participant must log into the timekeeping system to indicate that no leave was used. Plan Participants must adhere to the *Health Sciences Vacation Leave Reporting Guidelines* and their respective department/school vacation reporting policy available at [https://go.ucsd.edu/3npqjmo](https://go.ucsd.edu/3npqjmo).

**Use of Accrued Vacation** (APM 730-20 and PPM 395): Accrued vacation shall be used at a time or times in keeping with the program of work being conducted by the appointee and approved by the appointee’s supervisor, school dean, department chair or dean/chair's designee.

1. Vacation hours cannot be used before they are accrued.
2. Accrued vacation can be used for sick leave purposes (APM 710, 715, 760 and 670).

3. Vacation leave used shall be deducted and recorded in one (1) full-day increments only. For those with less than full-time appointments, vacation leave should be recorded in increments corresponding to the portion of a day the appointee normally works. For example, an appointee who is employed at 75% time who generally works six hours per day should be debited six hours of vacation leave for a vacation absence of one day.

4. Every faculty appointee is required to report vacation days taken. Failure to do so is in violation of UCSD Health Sciences guidelines and University Policy. (APM-015, BUS-10, APM-730).

5. A Plan Participant who leaves University service shall be paid for accrued vacation at his/her pay rate at the time of separation.

6. A Plan Participant 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 Participant’s total negotiated salary (X, and, if applicable X’, + Y) at the time of separation or the when the reduction is considered permanent.

x. **Active Service – Modified Duty (ASMD):** While not technically a leave, ASMD is a period during which a Plan Participant’s normal duties are modified to allow an academic appointee to care for a newborn or a child newly placed in the appointee’s home. ASMD may also be requested to provide care for a seriously ill family member or to provide substantial care for an elder family member. During a period of ASMD, an academic appointee is on active status and will receive at least their base salary (X, X’) (APM 760-28).

10. **CAMPUS ACCOUNTING METHODS AND INDIVIDUAL ACCOUNTABILITY**

10.1 **Management and Reporting of Income and Expenses:** All professional fee income, except for the excluded categories listed under Section 4 above, will be managed, accounted for and reported as revenue of the University, and must be deposited into the revenue account of the appropriate Departmental Compensation Plan funds. All income paid to faculty will be subject to Federal and State withholding and reported on a W-2 form as wages. For consulting and other payments not authorized for direct retention, but which are made directly to the faculty member and are owed to the Plan, the check should be endorsed payable to The UC Regents and deposited in the same revenue accounts. A receipt for each such deposit should be provided to the faculty member, along with any other requested documentation the faculty member may need in conjunction with the filing of his/her personal income tax submission. All financial transactions shall be approved, documented and otherwise processed or executed in accordance with University policies, procedures and delegations of authority. In accordance with the Plan, all professional fee billing and collection activities shall be conducted by a University billing group or by an external vendor which has been approved by the UCSD Physicians’ Group and the Dean’s Office. All billing and collection services for external vendors shall be detailed in a written agreement. Agreements with external vendors shall follow guidelines developed by the Office of the Controller, Office of the President. Regardless of the billing agent, all professional fees shall be deposited directly into an authorized University bank account. Contracts with approved external billing agents shall utilize the standard UCSD billing agreement form with appropriate approval by the Physicians’ Group, Dean’s Office and the Materiel Management Department. The accounting standards specific in the University of California Accounting Manual must be used in reporting income and expenses in all Plan matters.

10.2 **Fund Accounts and Sources:** Compensation Plan fund accounts shall be structured so that each department has at least two distinct Funds: a current-year operations fund and a prior-year fund to which
accumulated surpluses will be transferred.

All income from professional services, University and affiliated institutional, professional or management services performed by Plan participants and other funds as required by the Chancellor shall be appropriately recorded in such accounts.

10.3 **Contingency in Event of Inadequacy of Medical School Fund Accounts:** Although the Plan allows for the transfer of funds from one fund account to another, the customary practice at UCSD will be to preserve the financial autonomy of each department by maintaining separate departmental fund accounts. The purpose of the reserve(s) is to provide the funds necessary to pay Plan expenses, including the agreed-upon compensation to each Plan participant, in the event that the current year income of the Plan is insufficient to do so.

10.4 **Budgeting:** Each department in a School shall develop and submit to the School Dean each year, an annual budget projecting income and expenses for departmental Plan funds as a part of its annual faculty salary budget submission. Each Health Science Schools should then report their annual faculty salary budget submission to the VCHS.

Except where accumulated surpluses are being used to support an extensive growth phase, it is expected that revenue will always be adequate to support anticipated expenses. Department and Schools should clearly indicate the funding mechanism for all benefits provided under the provisions of the Plan. Each Unit (Department/School) may have an assessment rate which is approved by the applicable Dean and/or VCHS (as applicable) and applied against professional fee income; service agreement income; and expert witness fee and consultant income (beyond that which faculty can retain under provisions of Section 4.9-iii) and will be used for Unit (Department/School) operations costs and advancement of academic endeavors. Each Unit is expected to maintain a reserve for contingencies in an amount acceptable to the Dean/VCHS. These reserves will be used for such academic purposes as funding necessary renovation projects, recruitment expenses, or unfunded research expenses, and as a security for emergencies. In the event a Unit has accumulated a surplus beyond that required as a reserve, it is expected that these funds will be used to enhance the Unit’s academic programs or to develop new programs as recommended by the Chair/Dean, and approved as applicable by the Dean/VCHS. Fund balances will be monitored monthly by the Dean’s Office.

11. **IMPLEMENTATION AND TRANSITION ARRANGEMENTS**

11.1 These campus procedures are effective July 1, 2023, to comply with the Plan approved by The Regents in July of 2012 and supersede any previous implementation. In order for UCSD to meet the Plan requirements of these Implementation Procedures, each department shall submit to the Dean(s) and VCHS annual data on their School or Departmental Clinical Compensation Plan operations and fiscal projections of costs and of sources of proposed funding for their Unit’s fund accounts.
APPENDIX A

GOOD STANDING CRITERIA

1. DESCRIPTION OF GOOD STANDING

Plan Participants must satisfy the School / Departmental Good Standing Criteria in order to be allowed to earn and/or retain income from outside professional activities. Plan Participants should meet School/Department guidelines regarding minimal productivity in research / scholarly activities, duties in teaching, patient care responsibilities, mentoring, University, and External service, as defined by their series in the School / Departmental criteria included in all academic files and available at: https://go.ucsd.edu/3npjqmo.

(Health Sciences web content is hosted the Pulse Intranet which is a secure site for UC San Diego Health Sciences employees who have an AD login (email and password). All Health Sciences employees can view this content using AD credentials. Please see the Blink page for more information.

Plan Participants are expected to demonstrate professional behavior in all areas of work and share responsibility for the overall success and well-being, including financial well-being, of the Unit. Plan participants are expected to model, promote, and advocate for engaging in professional and ethical interactions with colleagues, staff, students, and the public at all times. Plan participants are expected to act with integrity and civility and contribute to strengthening an environment that values diversity and inclusion and is free from discrimination and harassment (see UC San Diego Principles of Community https://ucsd.edu/about/principles.html).

Plan Participants shall be deemed in good standing until they are otherwise found NOT to be in good standing.

1.1 Loss of Good Standing may occur in the following instances:

i. Failure to cover 100% of your negotiated salary, or that portion outlined via a reduction in time document, or MOU for reduced effort;
ii. Failure to meet teaching responsibilities as defined by the School/Department/Division;
iii. Finding of faculty misconduct, including but not limited to violations of the Faculty Code of Conduct (APM 015), Research Misconduct, OPHD violations, other University policies and procedures;
iv. Repeated displays of Unacceptable Behavior after notification of concerns;
v. Failure to comply with terms of Unit/Department/School initiated Professionalism Agreement;
vii. Any findings of misconduct or of any policy violation at an affiliate institution
vii. Any findings of misconduct or of any policy violation at an affiliate institution
viii. Failure to adhere to protocols, practices, and policies of one’s Unit, such as:
   a. Attendance at meetings, educational conferences, and departmental committees to which they are assigned;
   b. Failure to fulfill research commitments inherent in contract and grant awards, and clinical trial agreements on which they serve as investigators;
   c. Loss of required clinical privileges, licensure, and/or credentials;
   d. Failure to report matters consistent with mandatory reporting obligations consistent with University policy or statutory obligations;
   e. Failure to report formal investigation or notice of noncompliance at an affiliated institution.
ix. Refusal or failure to complete University required trainings;
x. Refusal or failure to complete annual certification of outside professional activities and conflict of interests in designated data system (based upon instruction from department);
x. Any violation of University policy applicable to participant’s appointed series.
1.2 **Examples of types of Unacceptable Behavior** that will not be tolerated and may lead to loss of good standing may include, but are not limited to:

i. Profane, disrespectful or derogatory language including the use of racial, ethnic, and gender-related epithets, jokes, or slurs;

ii. Sexual comments or innuendo, or other sexual misconduct

iii. Yelling, screaming, outbursts of rage, or violent behavior

iv. Demeaning, rude, or intimidating behavior, including use of threatening, or offensive gestures, and verbal threats;

v. Baseless threats of adverse employment action against other employees;

vi. Touching, striking, or pushing others;

vii. Throwing, hitting, or slamming objects

viii. Abuse Conduct in the Workplace - [Abusive Conduct in the Workplace (ucop.edu)](http://ucop.edu)

ix. Retaliatory actions against any employee who has reported concerns of policy violations, misconduct, or other compliance matters;

x. Creating a hostile work environment;

xi. Repeated failure to respond to reasonable requests by any staff member or colleague;

xii. Repeated failure to timely respond to communications including emails, calls, or pages;

xiii. Failure to remain current with Unit/Department communications (including Electronic Medical Record communications, as applicable), staff meetings, and trainings (including, but not limited to: emails, alerts, minutes, attendance at staff meetings, required trainings, etc.);

xiv. Argumentative or combative behavior towards patients, visitors, students, staff, and other faculty;

xv. Failure to be physically and/or mentally capable of performing work duties or attending UCSD sponsored activities. This includes being on UCSD premises or performing work duties while impaired, or under the influence of drugs and/or alcohol. In the event a plan member is experiencing a medical condition which has limited their ability to perform their assigned work functions, the plan member must contact UC San Diego Health Disability Management Team.

2. **ADMINISTRATIVE REVIEW PROCESS**

In cases of disagreement related to the determination of Good Standing of a Plan Participant, or to specific consequences, the Dean/Chair and/or faculty leader Designee (e.g., Division Chief) shall meet with the Plan Participant to discuss how to remedy the situation, and review the specific consequences, as determined by the Plan including, but not limited to, initiating the formal process outlined below. The Dean/Chair/Designee and the Plan Participant should strive for informal resolution, as appropriate to the circumstances, but a specific timeline for resolving the conflict must be defined by the Dean/Chair/Designee. The Dean/Chair/Designee shall prepare a written document that summarizes the discussion; a copy of this document shall be given to the Plan Participant.

If informal resolution is unsuccessful, as per APM 670, the Dean/Chair must provide the Plan Participant with a written statement that summarizes the reason(s) for requesting that a Plan Participant be deemed not in good standing. This statement should include specific recommendations on what action(s) the Plan Participant must take to return to good standing if they are deemed to be not in good standing. Relevant back-up documentation should be included. The Plan Participant will have 14-days to respond to the Dean/Chair.

If the Plan Participant and Dean/Chair resolve the issue within the 14-day response period, the Dean/Chair shall provide the Plan Participant with a written document that the issue has been resolved and the matter is closed. If the issue is **NOT** resolved within the 14-day response period, all the above writing information (the Dean/Chair’s written statement, any supporting documentation, and the Plan Participant’s response [if provided]) shall be sent by the responsible party (Dean/Chair) to the VCHS.
If the VCHS agrees with the Dean’s assessment, the VCHS shall issue a written determination that the Plan Participant is not in good standing. This written document will describe any corrective action(s) that must be taken in order for the Plan Participant to return to good standing. The written document will include a corrective action plan (“Return to Good Standing Plan”).

If the VCHS does not agree with the Chair’s assessment, the VCHS will issue a written determination that the Plan Participant remains in good standing.

In either case, a copy of the VCHS’ determination shall be provided to the Plan Participant, the Chair, and the Office of the Executive Vice Chancellor for Academic Affairs via the Assistant Vice Chancellor for Health Sciences Academic Affairs.

Appeal process: If a determination is made that the Plan Participant is not in good standing and the Plan Participant believes that the Administrative Review Process was not in compliance with the procedures identified herein, or the Plan Participant believes the final determination was arbitrary and capricious, the Plan Participant may appeal within 14 days to the Health Sciences Compensation Advisory Committee. The Plan Participant shall submit a written appeal identifying how the Administrative Review Process did not comply with Section B, and/or identify the basis for his/her belief that the determination lacks any reasonable basis in fact, or there is no rational connection between the facts and the determination made. The Advisory Committee shall review the documents, may interview the Plan Participant and/or the Chair, and prepare a written assessment for the VCHS. The final decision will be made by the VCHS within 30 days of receipt of written assessment from the Health Sciences Compensation Advisory Committee. Plan Participants who are Senate members may also pursue their grievance rights before the Privilege and Tenure Committee under Senate Bylaw 335. Plan participants who are Non-Senate faculty are also entitled to a Step III hearing under APM - 140.

3. CONSEQUENCES

The following consequences may be imposed on Plan Participants who are determined to be not in good standing:

1. Prohibition from participating in and/or retaining income from outside professional activities;
2. Decrease in negotiated compensation (Y; see APM - 670-18-c (1));
3. Loss of or reduction in incentive compensation (Z; see APM - 670-18-c (2));
4. Requests for academic leave will not be approved and/or requests that were previously approved will be reconsidered.

Additional consequences may result, as set forth by other policies.

4. RETURN TO GOOD STANDING

To return to good standing, the Plan Participant must submit a written request to the Dean/Chair accompanied by the Return to Good Standing Proposal Form (“Proposal”) that outlines how the issues will be resolved or rectified. This document must address all concerns and corrective action items identified in the VCHS Return to Good Standing Plan. The Dean/Chair shall review the sufficiency of the Proposal and communicate any deficiencies prior to accepting the Proposal for formal review. Once the Proposal is deemed sufficient, the Dean/Chair shall review the request, assess the Plan Participant’s progress, and submit his/her written recommendation to the Dean (for schools having department chairs), or VCHS (for schools lacking department chairs), along with the Plan Participant’s request and other supporting documentation, if applicable. If the Dean/Chair’s written assessment states that no progress or insufficient progress was made, the Dean/Chair should specify in his/her written recommendation to the Dean (for schools having department chairs) or VCHS (for schools lacking department chairs) what further action(s) should be taken.

If the VCHS endorses the Dean/Chair’s assessment that no progress or insufficient progress was made, the VCHS will notify the Plan Participant, in writing, that he/she is not returned to good standing and outline what further
action(s) must be taken. A copy of the VCHS’ determination shall be provided to the Plan Participant, the Chair, and the Office of the Executive Vice Chancellor for Academic Affairs via the Assistant Vice Chancellor for Health Sciences Academic Affairs.

If the VCHS determines that all issues were resolved, the VCHS shall provide a written assessment to the Dean/Chair. The Chair shall notify the Plan Participant, in writing, that s/he has returned to good standing. A copy of the VCHS’ assessment shall be provided to the Plan Participant, the Dean/Chair, and the Office of the Vice Chancellor for Academic Affairs.

If the Plan Participant does not submit a written request to the Dean/Chair, s/he shall remain out of good standing.

If a Plan Participant remains not in good standing for more than one calendar year, the Dean/Chair may pursue further action(s), as set forth by other academic policies, including but not limited to a request for formal disciplinary action for a violation of APM 015.

**Appeal process to return to good standing:** If the VCHS determines that the Plan Participant has not returned to good standing and the Plan Participant believes that the Return to Good Standing Process was not in compliance with the procedures identified herein, or the Plan Participant believes the final determination was arbitrary and capricious, the Plan Participant may appeal within 14 days to the Health Sciences Compensation Advisory Committee. The Health Sciences Compensation Advisory Committee shall review all written documents, may interview the Plan Participant and/or the Chair, and will prepare a written assessment for the VCHS. The final decision will be made by the VCHS within 30 days of receipt of written assessment from the Health Sciences Compensation Advisory Committee. Plan Participants who are Senate members may also pursue their grievance rights before the Privilege and Tenure Committee under Senate Bylaw 335. Plan participants who are Non-Senate faculty are also entitled to a Step III hearing under APM - 140.
APPENDIX B

CONFLICT OF COMMITMENT AND OUTSIDE ACTIVITIES OF HEALTH SCIENCES COMPENSATION PLAN PARTICIPANTS APM 671

1. REVIEW AND APPROVAL RESPONSIBILITY

1.1 These Implementation Procedures are developed to be consistent with the policy framework of the Plan. Affected Plan participants shall be afforded the opportunity to review and comment on any proposed revisions to the Implementation Procedures. This will include consultation with the Health Sciences Compensation Plan Advisory Committee (the “Advisory Committee”), as well as the Health Sciences Faculty Council. School Deans, the Vice Chancellor for Health Sciences (“VCHS”), the Chancellor, and the President or the President’s designee shall approve all revisions. The VCHS shall administer local implementation. All School or Department Compensation Procedures shall be reviewed and approved by the applicable Dean and VCHS prior to implementation.

1.2 The Chancellor may approve individual exceptions to provisions of the Plan and to these Implementation Procedures. Such exception requests shall be proposed by the appropriate Dean / Chairperson and approved by the applicable Dean (as applicable), the VCHS and the Chancellor. The Advisory Committee shall be provided with the opportunity to review and comment on any such proposed exceptions prior to forwarding the exception request to the Chancellor.

1.3 Only the Chancellor or Chancellor’s designee has the authority to approve any exception request that involves a Plan participant directly retaining earnings that exceed the limitation of $40,000 or 40% of the fiscal-year Scale 0 salary, whichever is greater. In order to return to good standing, a faculty member must submit a plan for demonstrating compliance to the department chair and must file a petition with the department chair and VCHS to restore approval to earn and retain income from outside professional activities.

2. LIMITATION ON USE OF UNIVERSITY RESOURCES FOR OUTSIDE ACTIVITY

In general, when faculty retain income for professional consulting or expert witness activity, particularly when the activities are conducted for third party for-profit entities or private individuals, the cost associated with the consulting or witness activities shall be borne by the third party or the faculty member, not by the University. In addition, the University’s liability coverage does not extend to certain faculty consulting and expert witness activities. For example, University malpractice/professional liability coverage does not generally extend to expert witness activities when the faculty member retains the related income (See UC Business and Financial Bulletin, BUS-9, Professional Medical & Hospital Liability Self Insurance Program at http://policy.ucop.edu/doc/3520505/BFB-BUS-81 for more information). Questions about the appropriate use of University resources and coverage under University liability programs should be discussed with the faculty member’s department or unit head, who may consult with the Dean and VCHS. The Dean or VCHS will, if necessary, refer the question to other appropriate University officers.

3. LIABILITY INSURANCE GUIDELINES

Faculty members who engage in professional activities that are outside the course and scope of their University employment are encouraged to obtain outside legal consultation, as needed, and consider obtaining personal liability insurance (see Section 4.8, x above).
April 13, 2023

JOHN CARETHERS, MD, MACP  
Vice Chancellor for Health Sciences  
Distinguished Professor of Medicine  
MC 0602

ROBERT S. ROSS, MD, MBA  
Assistant Vice Chancellor for Academic Affairs, Health Sciences  
Professor of Medicine  
Co-Director, Molecular Cardiology Program  
MC 0613C

Subject: Proposal for Revisions to HS Compensation Plan Implementation Procedures

Dear VC Carethers and AVC Ross,

The Health Sciences Faculty Council (HSFC) writes this letter to endorse and facilitate the approval of the proposal for the revisions to the HS Compensation Plan Implementation Procedures as per the attached document.

On April 4, 2023, during the HSFC’s meeting, AVC Ross gave a detailed presentation of the proposal and answered questions from council members. The proposal was later thoroughly reviewed and unanimously approved by HSFC members via email.

Sincerely,

Marianna Alperin, MD MS  
Chair, Health Sciences Faculty Council

cc: Brandon Rhodes, Chief of Staff to the Vice Chancellor - Health Sciences