

DRAFT 5/6/08
Prior to Executive Committee approval
or campus- wide faculty input

FACULTY COMPENSATION PLAN
THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER
AT SAN ANTONIO

PREFACE

This Compensation Plan has been developed in response to a need to offer the faculty of the University of Texas Health Science Center at San Antonio a clear and transparent system of expectations regarding relationships among compensation/salary, faculty productivity and faculty commitment to institutional missions. This plan is the result of a collaborative effort between the faculty and the administration of the UTHSCSA.

The Compensation Plan is divided into six parts:

The first part of the Compensation Plan (Part I) summarizes the over-arching goals and guidelines that should be considered while establishing and implementing faculty compensation, funding streams, or internal mechanisms of implementation associated with each of the five schools of the UTHSCSA. While Part I of this document will outline the general processes that regulate faculty compensation at the UTHSCSA, the diversity of the individual schools requires the development and implementation of school-specific compensation policies and procedures. Therefore, Parts II-VI of the Compensation Plan will describe, respectively, those explicit criteria, funding streams, and internal mechanisms associated specifically with Compensation Plans of the 1) Dental School; 2) Graduate School of Biomedical Sciences; 3) School of Allied Health Sciences; 4) School of Medicine; and 5) School of Nursing. It is understood that each of the school-specific plans will be written, approved, and implemented as a joint effort between the faculty and administrations of each of the individual schools, with broad input from all parties concerned. The plans must also be consistent with UT Board of Regents Rules and Regulations and thus require approval by the Executive Vice Chancellor for Health Affairs.

PART I

A. OVER-ARCHING GOALS AND GUIDING PRINCIPLES

The foundation of a Compensation Plan for the Faculty of the University of Texas Health Science Center at San Antonio should be associated with nine overarching guiding principles. **Guidelines and policies for establishing faculty compensation criteria will be consistent with Regents' Rules and should:**

1. Be consistent with, and support the missions of the institution. The missions of The University of Texas Health Science Center at San Antonio are to:

- Educate a diverse student body to become excellent health care providers and scientists.
- Engage in biomedical research focused on seeking information fundamental to the prevention, diagnosis and treatment of disease.
- Provide compassionate and culturally competent state-of-the-art clinical care
- Enhance community health awareness, education and practices thereby improving the wellness of the citizenry.

Achieving and sustaining national prominence by demonstrating excellence in the UTHSCSA's missions requires the recruitment and retention of outstanding faculty. Attracting and retaining outstanding faculty requires, among other things, that faculty compensation compares favorably to that found at other similar institutions of higher education across the nation, and incentivizes its faculty and their academic units towards excellence. Moreover, providing appropriate compensation for work performed is an essential factor in establishing relationships between the Faculty and the Administration that lead to improved faculty morale, and therefore maximum faculty commitment to the missions of the university.

2. Be equitable, transparent, contain unambiguous language, and be consistent with the standards of academic freedom that are essential to any great university.

3. Apply to all full-time faculty, both tenure-track and non-tenure track. That is, guidelines that provide transparency and fairness with regard to issues of compensation are essential, regardless of tenure status. However, it is understood that protection of core salary may in fact be linked to tenure status.

4. Establish clear, easy to understand links between the compensation that a faculty member receives from the UTHSCSA and 1) rank and tenure, and 2) the productivity and contributions made to the missions of the UTHSCSA by that faculty member.

5. Take into consideration market forces and issues of institutional and school "affordability". However, criteria for determining fair and appropriate compensation for faculty should not be based on the unlikely scenario of financial exigency of the institution,

but rather, should be considered with regard to realistic individual needs of faculty members within the context of a “normal” University fiscal climate.

6. **Translate unambiguously into each faculty member’s annual Memorandum of Appointment (MOA).** The MOA should reach each faculty member in a timely way and according to the time table dictated by Regents’ Rules.
7. **Guarantee accountability by both the Faculty and the Administration.**
8. **Allow decisions made under this plan to be challenged by a faculty member using established grievance policies and procedures published in the UTHSCSA Handbook of Operating Procedures.** Furthermore, a Faculty Compensation Advisory Committee shall be formed to provide guidance and advice to the President, Deans, and Chairs, as well as to any member of the faculty during a dispute.
9. **Not constitute a contract or grant any rights beyond which any person is already entitled.**
10. **Incentivize performance and excellence.**

B. GENERAL GUIDELINES FOR FACULTY COMPENSATION PLANS

Deans of each of the five UTHSCSA schools, in consultation with the Chairs and each school’s faculty governance organization (*i.e.*, Faculty Assembly), should submit a Compensation Plan to the institutional Executive Committee for approval. Once approved, the school-specific plans are to be attached to this statement of over-arching principles (*i.e.*, Part I of the Compensation Plan) and be submitted to the UTHSCSA President for approval who will in turn submit to the UT System for approval by the Executive Vice Chancellor for Health Affairs. In order for the Compensation Plans submitted by the individual UTHSCSA schools to demonstrate uniformity in structure and format, the following language and general guidelines are to be used in all parts of these plans:

1. Salary components.

Base salary = Core (“guaranteed” = protected to the fullest extent possible) salary (X)
+ **Specialty-associated** salary (Y)
Total compensation = Base salary (X+Y) + Incentive payments (Z)

Each school-specific Compensation Plan should define, explicitly, the composition and origins of funds available to support each of the three components of Total Compensation (X,Y, and Z). It is expected that in light of differences in available funding streams, market factors, school missions, and expertise of each school’s faculty, that the three components are likely to be composed of different (albeit overlapping) sets of elements for each school.

- a. **Core Salary.** Core Salary is considered “guaranteed”—protected to the fullest extent possible—in the sense that it is the minimum salary that a faculty member of a particular

rank could receive under circumstances short of total financial exigency of the institution. It is understood that according to Regents' Rules & Regulations, only tenured members of the faculty are considered to have a status of continued employment. Therefore, Core Salary will be available only to full-time tenured or tenure-track members of the faculty at the rank of Assistant, Associate, or Full Professor. Nonetheless, members of the non-tenure track faculty of equivalent ranks may receive equivalent Base salary (where all Base salary is accounted for by Specialty-associated salary).

The Core Salaries of its faculty members should be based on their rank (*i.e.*, Assistant Professor, Associate Professor, Full Professor) and determined/calculated by each school using a clearly and publically described process, and on documentable compensation information for those ranks. Documentation that Core Salaries are internally equitable and externally competitive with salaries at other similar institutions of higher education can be obtained using national academic Health Center survey data provided by the major scientific/educational organizations that represent a school's faculty such as the Association of American Medical Colleges (AAMC), the American Dental Education Association (ADEA), the American Association of Colleges of Nursing (AACN), and the Association of Schools of Allied Health Professions (ASAHP). Core Salaries, calculated from these appropriate national metrics, shall be determined and specified by each individual school. As a guide, the core salary ("X" component of compensation) should not be less than 70% of the appropriate national median non-specialty associated compensation and be affordable to the schools. (Please see APPENDIX 1 for an example of Medical and Graduate school compensation). The Deans, Chairs, and faculty of each school, in developing their specific Compensation Plans, should provide explicit and transparent justification for establishing Core Salary values, including any "affordability" issues used to make these determinations. This justification should be re-assessed and provided every biennium years. The Core Salary for each faculty member is specified for the period of his/her Memorandum of Appointment and cannot be changed without approval by the UTHSCSA President.

b. Specialty-associated Salary. Specialty-associated Salary, is directly dependent on funding streams and activities that may not be generally available to all members of the UTHSCSA faculty. That is, these specialty areas or disciplines are aligned with some, but not all UTHSCSA schools, based on the terminal degrees, activities and responsibilities of their faculties. Moreover, the particular missions of each of the schools will dictate benchmarks for success in teaching, research, clinical and administrative service. Therefore, each school should be responsible for identifying and specifying that portion of each faculty member's salary represented as specialty-specific with regard to contributions towards the missions of the school and university. Examples of Specialty-associated Salary-derived funds may include, but are not limited to:

- Salary budgeted from research grants and contracts
- Practice plan augmentation (Professional services)
- Administrative stipends
- Veteran's Administration salary*

*Some faculty may have appointments and receive a portion of their salary directly from the South Texas Veterans Healthcare System. The annual value of these faculty members VA Salary and the corresponding percentage time appointment will be noted in the MOA. In the event that the amount of the faculty member's VA Salary increases/decreases, the university reserves the right to adjust the amount of the specialty-associated salary.

The specialty-associated salary component for all faculty should be proposed annually by Department Chairs or Center/Institute Directors; levels of specialty-associated salary will be based upon a faculty member's performance, the availability of funds to support the faculty member's specialty-associated salary, and the department's and school's fiscal circumstances. That is, the specialty-associated salary component may increase, decrease or remain the same in successive years depending on, and linked to, whether a faculty member's performance of assigned duties and responsibilities meets the expectations outlined in previous annual performance evaluations, including, but not limited to, the obtaining of research grants and contracts, on professional achievements, on administrative and teaching responsibilities, and on fees billed and collected for professional services.

The specialty-associated salary component may include salary associated with assigned administrative positions, such as department chairs, division chiefs, or center/institute directors. The specialty-associated salary may include an "Administrative Stipend" associated with these assigned administrative responsibilities, and is discretionary and without term. The Administrative Stipend is to be proposed annually by the appropriate Executive Committee Member for approval by the President, concomitant with the period of the Memorandum of Appointment. The Administrative Stipend portion of specialty-associated salary ceases upon relinquishing the associated administrative responsibilities.

- c. ***Incentive Payments.*** The Dean or appropriate Vice President will work with each Department Chair, Center and Institute Director to develop an Incentive Plan for each school that describes clear objectives and specified goals, as well as sources of funds that would support the plan and levels of approval necessary to implement the plan (*e.g.*, appropriate Dean or Vice President, the UTHSCSA President, or UT System level approval). Generally, these salary supplements are non-recurring *merit* payments for extraordinary productivity, accomplishments or commitment. Such accomplishments may be associated with teaching, service, or research activities, and should be explicitly described in the Incentive Plan in order to make clear to faculty the exact nature of accomplishments required for this augmentation of salary and by what mechanism such payments would be made to the faculty.

Incentives may acknowledge significant new revenue and cost savings brought into an academic unit that benefits both the faculty member and the faculty member's department within his/her school. Each Department, Center or Institute within each school should provide a list of explicitly described accomplishments that would result in salary augmentation with Incentive Payments.

While new revenue and cost savings are desirable, there are goals to which the institution should also aspire that would not necessarily be of direct financial benefit to the institution

(or academic unit). The UTHSCSA and its schools are also encouraged to develop and make known to its faculty salary incentives for extraordinary scholarly accomplishments that bring increased prestige to the UTHSCSA, or results in extraordinary advances in the missions of the institution or its schools. UTHSCSA or School leadership (*i.e.*, Deans and Department Chairs) may nominate faculty members to receive such augmented salary payments based on a pay scale determined by the school and approved by the institutional Executive Committee.

Examples of such accomplishments could include, but are not limited to:

- Major National/International Award – Nobel Prize, Medal of Science, etc.
- Election to the National Academy of Sciences/Institute of Medicine or equivalent.
- Special recognition by a national/international scientific or clinical organization.
- Election to the UT System Teachers Academy.
- Receiving a target number of major research grants.
- Service to the Institution or School resulting in a truly ‘transformative’ positive change.

Any incentive payment made by the University is subject to all applicable salary deductions (*e.g.*, FICA, federal taxes), and must be reported to the IRS as salary and wages. Depending on the date of the faculty member’s hire, State and/or Federal law may impose a cap on the amount of salary and wages that can be counted as creditable compensation for calculating retirement benefits. Each school specific plan must specify which salary components qualify for benefits.

2. School-specific objectives.

Based on the guiding principles and general objectives stated above, each individual school of the UTHSCSA is charged with developing a school-specific Compensation Plan that details its own circumstances (*e.g.*, funding streams, affordability, market factors, duties, incentive plans, expectations of faculty, bridge funds, and procedures that lead to alterations in salary) and enhances the school’s efforts to recruit and retain outstanding faculty. School-specific Compensation Plans should strive to achieve the following objectives:

a. Identifies all sources of funding available for supporting faculty compensation. This includes all sources of State funds as well as clinical and research revenue generated within a faculty member’s scope of duties within his/her school, but excludes honoraria for seminars, study section work, service on professional boards, consulting with private, academic and federal entities, and special prizes for noteworthy accomplishments. It is imperative, however, that school-specific Compensation Plans consider mechanisms for avoiding Conflict of Commitment and Conflict of Interest consistent with Regents’ Rules and the UTHSCSA Handbook of Operating Procedures and is consistent with Practice Plan Bylaws. That is, mechanisms must be put in place that guarantee that a faculty member’s activities and commitments are consistent with the time and effort practices and policies of the UTHSCSA.

b. Aligns with the fiscal year of the University and the University of Texas System.

- c. **Uses clear, transparent, and unambiguous language when defining components of salary and for describing mechanisms of implementation associated with the Compensation Plan.**
- d. **Specifies “core” compensation based on rank and tenure, and documentable salary rates that are comparable to those found at other similar institutions of higher education.**
- e. **Encourages and rewards scholarly teaching, clinical, and research, and ensures fairness and consistency among its faculty members.**
- f. **Provides a mechanism for annual performance evaluations of each faculty member in relation to departmental, school and institutional goals and objectives.**
- g. **Provides clearly defined incentives to increase scholarly productivity and accomplishments, as well as significant cost-savings by the institution or school.**
- h. **Considers strategies that are consistent with the strengthening of the fiscal position of the departments, practice plans, and the university as a whole.**
- i. **Provides mechanisms for appropriately responding to natural cycles in faculty productivity.** As examples, this could include bridge funding, as well as opportunities for re-assignment.
- j. **Defines circumstances in which a member of the faculty is deemed non-productive due to his/her failing to achieve expectations, and provides guidelines for reducing salary, and mechanisms for remediating non-performance.** Such guidelines must be written in clear and explicit language that describes a fair and transparent process, consistent with Handbook of Operating Procedures policies that dictate due process.
- k. **Provides mechanisms that allow a faculty member to dispute decisions made with regard to compensation.** Such mechanisms must be consistent with policies described by the Handbook of Operating Procedures regarding faculty grievance.
- l. **Establishes a working relationship with the Faculty Compensation Advisory Committee that ensures free and timely communication between the Faculty Compensation Advisory Committee and the Dean, as well as with the UTHSCSA Office of the President, regarding issues of faculty compensation**
- m. **Considers and defines the impact that the plan might have on compensation benefits to which an employee is otherwise entitled.**

C. FACULTY COMPENSATION ADVISORY COMMITTEE

1. Charge.

A Faculty Compensation Advisory Committee is to be established and its mission described in the UTHSCSA Handbook of Operating Procedures. The Faculty Compensation Advisory Committee is to be charged as an advisory group that makes available advice and recommendations to the Deans, Chairs and to the UTHSCSA President concerning issues related to faculty compensation. The Faculty Compensation Advisory Committee will also be charged with hearing faculty grievances, should they arise, regarding the determination of appropriate and fair compensation. The Faculty Compensation Advisory Committee is to provide impartial advice to its faculty colleagues, as well as to act as a liaison between a grieving faculty member and the appropriate Dean or the UTHSCSA President.

2. Membership.

Membership of the Faculty Compensation Advisory Committee is to be composed of 8 members of the full-time faculty. Members will be nominated by the Deans of each school and the Faculty Senate for appointment by the President. One representative will be appointed from each school, one member will represent the faculty senate and 2 at large members. Term of membership is to be for 3 years, staggered so that not all members rotate off of the committee simultaneously. The Chair of the committee will be selected from the selected members by the President of the UTHSCSA.

3. Notification of Faculty.

Consistent with Regents' Rules, the Department Chair will notify in writing a faculty member regarding a reduction in base salary no less than sixty days prior to the beginning of each academic year. Faculty have the right to dispute levels of compensation according to policies published in the Handbook of Operating Procedures. No reduction in base salary can occur without adequate opportunity for a faculty member to initiate grievance actions within the sixty day period. This makes the notification of the faculty member of a reduction in base salary in a timely manner essential. **Reductions in base salary will reviewed by the Faculty Compensation Advisory Committee upon request of the faculty member.**

FACULTY COMPENSATION TASK FORCE.

A task force consisting of faculty representing all schools across the Health Science Center (see membership roster below) held 14 face-to-face meetings from July 2, 2007 through March 10, 2008. Additionally, individual Task Force members held discussions with faculty and administrators from their respective schools.

CHAIR:

Thomas F. Patterson, MD
Professor
Department of Medicine/Infectious Diseases
School of Medicine

MEMBERS:

Deborah L. Baruch-Bienen, MD
Deputy Chief, VA Medical Service
Associate Professor
School of Medicine
Donna D. Gardner, MSHP, RRT
Assistant Professor and Director of Clinical Education
Department of Respiratory Care
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Charles P. France, PhD
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Mickey L. Parsons, PhD, RN
Associate Professor
Department of Acute Nursing Care
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APPENDIX 1.

For example, an appropriate national median for non-specialty associated compensation for the Medical and Graduate schools would be the American Association of Medical Colleges (AAMC) published median salaries for basic science faculty with a PhD or other doctoral degree for 2006-2007.

Table 18. Summary Statistics on Medical School Faculty Compensation for All Schools. Ph.D. or Other Doctoral Degree, Basic Science Departments/Specialties. Total Compensation in Thousands of Dollars

BASIC SCIENCE – TOTAL ALL DEPARTMENTS/SPECIALTIES

	Instructor	Assistant Professor	Associate Professor	Professor	Chief	Chair
Count	662	3,760	2,781	4,175	48	592
25 th :	47	66	87	118	126	186
Median:	53	80	98	143	163	222
75 th :	62	90	113	174	204	266
Mean:	56.3	79.4	101.9	150.8	175.4	226.8
70% Median		56	68.6	100.1		

REF: Association of Medical Colleges, Report on Medical School Faculty Salaries, 2006-2007. Table 18, page 143.