

# **FACULTY COMPENSATION**

## **I. POLICIES AND PROCEDURES RELATING TO FACULTY COMPENSATION**

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In carrying out its missions in medical education, biomedical research and service to patients and to the community, the Miller School of Medicine assumes a variety of responsibilities to the students who come to it seeking professional education, to the patients who come to it in need of care and to the community which provides resources and support in a variety of ways. In addition, the School also assumes important responsibilities to the clinicians, researchers, teachers and administrators that together make up its academic community.

The effects on academic medical centers of major changes in the economics of health care in recent years require that all of these responsibilities be re-examined, including those implied in the mutual expectations and obligations that exist between faculty members and the School of Medicine. Unprecedented fiscal pressures now raise ethical and legal issues concerning performance, accountability, equity and the financial and academic implications involved in faculty appointments generally and in appointments with tenure specifically. Many of these issues have not been specifically addressed or defined in the past, largely because, in a setting of overall growth or at least stability of fiscal support for the academic enterprise, it has been possible either to avoid confronting them or to deal with them on the basis of long-standing tradition and good faith alone. In particular, the possibility of a decrease in compensation, while always vexing, has seldom been a contentious issue in the past, since clinicians understand and accept variations in the patient care delivery-based portions of their salaries; and decrements in compensation for the non-clinical activities of faculty in both clinical and non-clinical departments have rarely been considered.

In an environment of constrained resources, however, the possibility of decreases in compensation becomes more imminent. While the prospect of a decrease in compensation is troublesome to all faculty, the implications of such changes for the financial status and psychological well-being of non-clinicians is likely to be especially harmful and merit particular sensitivity. In the interests of fairness and collegiality, a rational, deliberate basis and process for implementing changes in compensation must be clearly spelled out and understood by all those involved, both in making such decisions and in bearing their consequence.

At the request of the Senior Vice President and Dean, the Faculty Council has deliberated at length on a number of proposals dealing with faculty compensation. The area of faculty compensation is one that the Faculty Council would have preferred not to deal with. Since policies and procedures for implementing decreased compensation were being instituted, however, the Council felt a responsibility and opportunity to provide representation of the faculty viewpoint. While the most urgent and delicate of the guidelines to be developed related to assuring appropriate measures for deciding on and implementing decreases in compensation, it was agreed early on by the Council and the Dean that specific plans should also be implemented to assure provision of appropriate incentives and recognition for faculty who are successful in developing new resources and initiatives in research and in education.

The following principles have guided the development of these recommendations:

Compensation for all faculty at the School should be related to a significant degree to measures of performance and productivity

Specific guidelines and instruments for assessing performance should be developed by the faculty in each department

Evaluations of faculty performance in light of these guidelines should be carried out at least annually and serve as a basis for decisions concerning changes in compensation

Fairness, sensitivity and consideration in implementing decreases in compensation should be assured, to the extent possible, by providing for timely evaluation of faculty, for appropriate advance notice of planned changes, and for limitations in the extent of decreases

Departmental fiscal constraints as a basis for decreased compensation should be imposed uniformly on all involved faculty and not selectively on individual faculty

The recommendations generated as a result of the Council's deliberations and ongoing interchanges with the Dean are embodied in the attached statements, separately dealing with "Procedures for Implementing Changes in Faculty Compensation," "A Plan to Provide for Compensation Recognition of Faculty Research Activities," "Procedures for Implementing Faculty Compensation Decreases" and "Policies Relating to Appointments of Clinical Educator Faculty." The office of the Senior Associate Dean for Faculty and Professional Affairs, has served as an invaluable resource throughout this process, providing very helpful information concerning institutional policies and practices and offering his counsel whenever solicited.

The School's clinical group, the University of Miami Medical Group (UMMG), has in place a compensation plan which is department specific and is reviewed annually by the UMMG, the Office of Medical Finance and the Dean. Additional programs and policies that provide for faculty incentives and recognition; for faculty development and retraining; and for dealing with the challenges and opportunities presented by the changes in faculty composition to more senior and more junior cohorts, will surely be developed and should be considered part of the School's overall plans for relating to the members of its academic community with collegiality, with dignity and with sensitivity. Beyond such specific policies and programs, the Faculty Council believes that every individual member of our academic community, from junior faculty to Department Chairs, should take it as a personal responsibility to enhance the professional and personal welfare of colleagues and the development of a supportive environment of encouragement, caring and compassion.

## **PROCEDURES FOR IMPLEMENTING CHANGES IN FACULTY COMPENSATION GUIDELINES**

The following principles relating to compensation and to evaluation of performance and productivity apply to faculty at the Miller School of Medicine:

- (1) Compensation for all faculty at the School of Medicine shall be related to a significant degree to measures of performance. Compensation may be adjusted upward or downward, based on evaluation of performance and productivity and on incentive plans. National guidelines such as provided by the AAMC may be used as a standard for comparison.
- (2) Performance and productivity guidelines for faculty shall be developed by the faculty and Chair of each department, based upon general guidelines recommended by the School Council and approved by the Dean. The written guidelines for evaluation of faculty performance and productivity shall annually be submitted by each department to the Dean for his approval.
- (3) Each faculty member will annually submit to the Chair a summary of his or her activities and achievements over the prior academic year. Evaluations of each faculty member shall be conducted by the Chair or division chief or laboratory chief annually in all departments, based in part on the prepared summary. The annual evaluation will also provide a basis for the Chair's recommendations for compensation for the next fiscal year. The evaluation may include review by a committee of other faculty of the department, who may advise the Chair regarding salary and other issues relevant to a faculty member's performance. Taking into account the departments approved performance and productivity guidelines; the summary prepared by the faculty member will also serve to establish a set of goals and objectives for the faculty member for the coming year.
- (4) Disputes between a faculty member and the Chair in the evaluation process or in the subsequent recommendations shall be reviewed by a faculty committee external to the department, appointed by the Dean from a list of faculty recommended by the School Council. If the dispute involves compensation, financial data necessary for review of the dispute will be made available to the members of the review committee, who shall treat such information as confidential.
- (5) Decreases in faculty compensation shall ordinarily not exceed 10% of the previous year's figure exclusive of amounts designated as 'at-risk clinical income' (bonus, incentive, etc) or in recognition of specific administrative responsibilities. All recommendations by Chairs are reviewed by the Senior Associate Dean for Faculty and Professional Affairs. If decreases in compensation are recommended by Chairs, the faculty member may request a review by a faculty committee external to the department appointed by the Dean from a list of faculty recommended by the School Council. The results of these reviews will be

reported to the Dean, who will make the final decision regarding faculty compensation.

## **A PLAN TO PROVIDE FOR COMPENSATION RECOGNITION OF FACULTY RESEARCH ACTIVITIES**

### **GOAL**

The goal of this plan is to develop sound fiscal guidelines to encourage and enhance the research activities of faculty and to reward those individuals who show high scholarly productivity.

### **POLICY**

Each department (basic science or clinical) will develop a policy to provide for bonus payments from University funds at the end of the fiscal year to faculty who have shown levels of scholarly productivity above the standards defined in the department's policies. Department policies should take into account all indices of scholarly productivity, including publications and a faculty member's efforts in support of his or her research and other academic activities in particular, teaching. In developing and implementing these policies, departments should be guided by the consideration that an active research program in the biomedical sciences can only proceed on a secure basis with the availability of extramural funds (i.e., funds not generated within the School of Medicine), most frequently subject to a peer review process. Accordingly, a minimal requirement for the award of a bonus payment at the end of any fiscal year will be demonstrated ability to compete effectively for extramural support.

The allocation of funds for bonus payments to an individual in recognition of research productivity will be based on a written plan, developed by the department, approved by the Dean and supported by department-based funds. The plan must include the setting aside first, before allocation of a bonus payment, of a prudent sum to provide for interim funding for the faculty member's compensation during possible future periods of loss of support for research effort from extra-mural sources.

Bonus payments can only be provided for faculty members on an individual, merit basis. Distribution of funds at the end of the fiscal year will only occur upon approval by the Dean of the award, justified on a case-by-case basis. Bonus payments will not be considered in the calculations of increases in annual compensation or in the tenured salary guaranteed by the 'limited financial tenure' provisions of the Faculty Manual.

## **PROCEDURES FOR IMPLEMENTING FACULTY COMPENSATION DECREASES**

The procedures outlined here do not apply to the clinical component(s) of UMMG faculty compensation paid through departmental clinical incentive plans or to faculty on the research track.

Each Chair will annually recommend in the department's budget an expected compensation figure for each of the department's faculty. This recommendation will be based on an evaluation of the performance and productivity of each faculty member, as described elsewhere, that encompasses the broad definition of scholarly achievements associated with teaching, research and service.

The Chair may recommend that compensation be decreased as a consequence of a decrease in a faculty member's productivity. Every effort will be made to avoid precipitous decreases in faculty compensation, which shall ordinarily not exceed 10% of the previous year's figure (exclusive of amounts designated as bonuses or in recognition of specific administrative responsibilities). All recommendations by Chairs for decreases will be reviewed by the Senior Associate Dean for Faculty Affairs and, if requested by the faculty member, by a faculty committee external to the department, appointed by the Dean from a list of faculty recommended by the School Council. The results of these reviews will be reported to the Dean, who will make the final decision regarding faculty compensation. Compensation paid to a tenured faculty member may not, in any case, fall below that defined as the 'limited financial tenure' guaranteed salary.

If the sole reason for a recommendation by the Chair for a decrease in a faculty member's compensation is departmental financial hardship, then this hardship must impact, to some degree, all members of the department.

A Chair's recommendations for compensation decreases for the next fiscal year should be discussed with the faculty member and submitted to the Office of Faculty Affairs no later than January 1, so as to provide an opportunity for review of such recommendations. Should there be a disagreement between the Chair and faculty member a review by the Senior Associate Dean for Faculty Affairs and by an external faculty committee, as described previously, will be carried out. The results of this review will be reported to the Dean, who will make the final decision regarding faculty compensation.

If a decrease in the compensation of a faculty member is approved, the faculty member should be notified prior to February 1, so as to allow for four months 'notice time' prior to the start of the fiscal year on June 1. During this notice time, the faculty member's compensation will be maintained at the pre-existing level.

If a recommendation to decrease compensation is received after January 1 or if the review of such a recommendation is delayed, faculty notification may not occur by February 1. Such delay will not preclude a decrease in compensation during the next fiscal year. Rather, the

faculty member will be notified as soon as possible and, provided that notice is given before the start of the fiscal year on June 1, the annualized compensation decrease will begin four months after official notification in writing has been provided. Should the faculty member's productivity improve during the four months notice period, the Chair may amend the prior recommendation for a compensation decrease.

## **POLICIES RELATING TO APPOINTMENTS OF CLINICAL EDUCATOR FACULTY MULTI-YEAR CONTRACTS**

Faculty on the Clinical Educator track with three or more years of faculty service at the University and who are at the rank of associate professor are eligible to receive appointments of up to three years. Faculty on the Clinical Educator track with more than three years of faculty service at the University at the rank of professor are eligible to receive appointments of up to five years. Multi-year appointments must be approved by the Senior Vice-President for Medical Affairs and Dean. Guidelines for awarding multi-year appointments shall be recommended by the School Council and approved by the Senior Vice President for Medical Affairs and Dean.

Written performance and productivity guidelines for the award of multi-year appointments to Clinical Educator faculty shall be developed by the faculty and Chair of each department with Clinical Educator faculty, based upon general guidelines recommended by the School Council and approved by the Dean. These guidelines shall take into account the criteria established by the Appointment, Promotion and Tenure Committee for use in evaluating candidates for promotion in the Clinical Educator track.

During the annual evaluation of faculty members in each department, eligible faculty in the Clinical Educator track may request consideration for award of multi-year appointments. When a request for an appointment of three or more years is received by the Chair, the Chair will arrange for department review of the candidate, which will include consideration of the performance and productivity guidelines and of a written summary prepared by the faculty member describing his or her activities, achievements and contributions to the academic programs of the School and the profession. Consideration of such appointments shall thereafter proceed as for nominations for promotion and tenure, with a formal vote of the department faculty and recommendations by the Chair and by the Appointment, Promotion and Tenure Committee to the Dean, who will make the decision on the appointment.

Recommendations for promotion in rank in the Clinical Educator track will be considered independently of requests for multi-year appointments and undergo consideration as already prescribed by the Faculty Manual and the procedures of the School.

## **TERMINATION**

Annual faculty appointments in the Clinical Educator track at the School of Medicine may be terminated by written notice, either by the University of intention not to reappoint or by the faculty member not to return. A decision not to reappoint needs no justification. Written notice by the University not to reappoint a faculty member in the Clinical Educator track shall be given in accordance with the following standards, as prescribed in the Faculty Manual:

- (1) Not later than March 1 of the first year of service, if the appointment is to expire at the end of that year.
- (2) Not later than December 15 of the second year of service, if the appointment is to expire at the end of that year.
- (3) After two or more years of service, at least twelve months before the expiration of the appointment.

Faculty members with multi-year appointments in the Clinical Educator track may be terminated for cause before completion of the term of the appointment. The definition of cause in this circumstance is as prescribed in the Faculty Manual.