DEPARTMENT OF FAMILY AND PREVENTIVE MEDICINE
GUIDELINES FOR FACULTY COMPENSATION

This document conveys the principles of faculty compensation in the Department of Family and Preventive Medicine and the practical application of those principles. Compensation principles vary between FTE and soft money faculty, and between the Division of Family Medicine and colleagues in other divisions, though every effort is made to ensure equitable treatment of all faculty consistent with their different circumstances. Plan participants shall be afforded the opportunity to review and comment on any proposed revisions.

FTE Faculty

The policy outlined below applies to associate and full professors; assistant level will be exempt from the department contribution requirement, but will be expected to cover any portion of their salary not funded by the FTE. The chair has discretion if necessary to waive the contribution requirement for a brief start-up period as part of recruitment negotiations for new faculty.

Confirmed fund sources for the new fiscal year will be necessary but not sufficient criterion in setting faculty compensation for the upcoming fiscal year. The faculty member’s history of financial contribution, as well as teaching and service which builds department connectivity and national data and the salary levels of peers within the department will also be reviewed, the faculty member will be provided with AAMC comparison data.

All faculty with full FTEs are responsible for funding the following:
   - all components of their salary except X, including associated benefits;
   - the NIH cap gap, if applicable; and
   - 12% of their X.

In addition, FTE faculty who wish to negotiate their salaries above 1.3X are expected to generate forty-five cents ($0.45) for the chair on every dollar of salary over 1.3X.

- Example
  - Total compensation $150,000
  - X = $80,400
  - Amount > 1.3 X equals $45,480
  - Target contribution to chair’s funds of $9,648 (12% of $80,440) plus $20,466 (45% of $45,480) for a total contribution of $30,114.

Chair’s funds are utilized for teaching of non FTE faculty, recruitment expenses, administrative support, and other departmental responsibilities. The Finance Committee regularly reviews chair’s expenditures and re-assesses faculty’s required contribution level. Possible sources of funds for the contribution to the chair include salary savings from the FTE as well as any additional funds above what the Department would normally tax which the PI may transfer to the Department. Funds on which the department would tax all faculty will still be paid by FTE faculty, but will not be counted as part of their FTE contribution.

- Example
  - FTE faculty member has a required contribution of $30,114;
  - Salary savings are projected to total $30,114;
  - Faculty member will also generate $4,200 in department tax on service agreements.
  - The faculty member meets but does not exceed his/her required FTE contribution because all faculty, not just FTEs, are required to pay a tax on service agreements, so the revenue is not counted as part of the FTE contribution model.

Any contribution above the target level will be split 60/40 between the PI and the department as long as the faculty member has consistently met the target contribution.
- Example
  - Total compensation $150,000
  - X=$80,400
  - Amount > 1.3 X equals $45,480
  - Target contribution to chair's funds of $30,114
  - Actual contribution of $35,000
  - Faculty member receives rebate of $2,932 (60% of $4,886); chair receives $32,068 ($30,114 + $1,954)

The same principles apply to faculty with partial FTEs, except that these faculty are responsible for funding the non FTE portion of their X, as well as a contribution to the department which is proportional to their level of FTE.

- Example for .5 FTE faculty
  - Total compensation $150,000
  - X=$80,400
  - Amount > 1.3 X equals $45,4800
  - Contribution to chair's funds of $15,0574 ($4824 +10,233)

As available funding rises and falls, increases and decreases to faculty salary may be achieved over a shorter or longer period depending on the faculty member's history of contribution to chair's funds and the projected contribution relative to target. The following factors will guide the negotiation:

- generally a salary increase for individuals exceeding target will not be greater than 15% (excluding academic review) in a single year;

- during salary negotiations, faculty may have sufficient funding for their salaries, but insufficient confirmed funding to cover their target contribution. If these faculty have consistently met their target contribution in prior years, they will have one year in which to generate these funds. By the start of the following fiscal year, salary will begin to be reduced if they have not met their target contribution in the intervening period.

- faculty who lack funds to cover existing salary in the upcoming year will be immediately reduced to a salary rate commensurate with available funds, or to a base salary (covered compensation of X+X1+Y1, if any), whichever is higher.

- Faculty with a history of non negotiated salaries who have not covered their minimum salaries and their target contribution will be expected to repay the accumulated deficit to the department before salary negotiation is approved. This repayment may occur simultaneously with a negotiation of salary, though the amount of negotiation permitted will depend on the level of accumulated deficit.

"Soft Money" Faculty: Campus Divisions

Confirmed fund sources for the upcoming fiscal year will a necessary but not sufficient criterion in salary determination. Teaching and service which build department connectivity as well as national data and salary levels of peers within the department will also be reviewed, and the faculty member will be provided with AAMC comparison data.

When the faculty member has sufficient resources available, the chair may propose an increase to the salary rate consistent with salaries of FTE faculty at the same rank. The chair may take into consideration such factors as the market for individual disciplines and the faculty member's contribution to the department in establishing the new pay rate. As with FTE faculty, generally a salary increase will not exceed 15% (excluding academic review) in a single year.
Senate Faculty: Non FTE Senate faculty who have insufficient resources for their current salary will normally have their salaries reduced to a level for which they have sufficient funding or to the base rate (X+X1+Y1, if any), whichever is higher. The department will provide supplemental salary support at the base rate for the minimum period required by university policy. Ordinarily support will not be provided beyond the minimum.

Non Senate Faculty (Campus Divisions): When non Senate faculty lack funding for their current salary, their salary rate and/or effort will generally be reduced to a level commensurate with available funding without a period of departmental funding.

"Soft Money" Faculty: Division of Family Medicine

Compensation in the Division of Family Medicine is mission based; faculty are compensated based on the effort assigned to different functions approved by the Chief, and the salary scale applicable to that function.

Compensation for clinical activity will follow the guidelines of the Primary Care Business Plan. Compensation for activities for which faculty secure extramural funding will be based on available funding and national and/or regional peer comparisons, and will be negotiated with the Division Chief subject to ratification by the Chair and Dean. Compensation for division priorities for which the division provides funding (e.g., medical student teaching) will be based on a rank-based teaching pay scale determined by the Chief and Division Executive Committee to be consistent with available divisional resources. Faculty may review this scale at any time.

Treatment of Occasional Outside Professional Income

Consistent with the terms of the School’s faculty compensation plan, all faculty are allowed to retain $20,000, or 20% of X + X1 + Y1, whichever is greater. For the first $30,000 of outside professional income turned in to the Practice Plan, M.D. and Ph.D. faculty may receive 90% as Z earnings, including benefits; they may receive as Z 69% of outside professional income above $30,000 in a given year. The combined department and dean’s tax of 31% on amounts greater than $30,000 is equivalent to the contribution that FTE faculty are expected to make to the chair in order to negotiate an increase in salary. Specifically, for every $1.45, forty-five cents goes to the chair and $1.00 goes to increase faculty salary (1.45/1.45=31%). Faculty who choose to retain these funds in their own discretionary account rather than receive incremental salary will be taxed at 10% for all amounts.

Faculty who wish to turn in outside income should contact their fund manager for instructions on submission of the funds, and should indicate at that time if they wish to receive Z, or place the funds in a university discretionary account.

PROCESS

Faculty Involvement in Development of the Compensation Plan and Good Standing Criteria

Members of the Department Finance Committee made recommendations to the Department Chair on the principles of the compensation plan and on the Good Standing Criteria. The compensation plan for FTE faculty has been discussed individually with FTE faculty, and input from the faculty has been considered in modifying the plan. The compensation plan and good standing criteria have been discussed at a general Department faculty meeting, and input from the faculty was considered in modifying the documents.

Family Medicine’s compensation plan has been developed and modified by the Chief and the Division Executive Committee with input from faculty. The chief discusses the plan and its application to the individual faculty annually with each faculty member.

The Department Finance Committee annually reviews the Department’s Guidelines for Faculty Compensation and Good Standing Criteria. The Executive Committee of the Division of Family Medicine will annually review guidelines for salaries of non Senate faculty in the Division of Family Medicine.
Proposed modifications to these documents are circulated to the faculty at large for input and approved by the Chair.

Annual Salary Budget Process

*Faculty in the Divisions of Behavioral Medicine, Biostatistics and Bioinformatics, Epidemiology, Global Health, Health Policy, and Preventive Medicine:* Each winter the chair notifies faculty of expected cost of living increases, if any, and invites those faculty with sufficient resources to negotiate their salary to submit salary requests, consistent with department compensation policy. The chair individually contacts faculty who lack sufficient funding for current salary levels. Faculty are informed in writing of their salary rate, funding assumptions, and AAMC percentile for the following year.

*Family Medicine Faculty:* The Chief meets individually with all faculty each winter to discuss the faculty’s level of effort across each of the division’s missions in the upcoming year, and to communicate the salary rate related to each of those functions. Faculty receive quarterly statements indicating their funding by mission. Detailed data on the clinical portion is available from the PCBP.