



UNC
SCHOOL OF MEDICINE

Board of Trustees
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Medical School
Clinical and Basic Science
Faculty Compensation Plans

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Background

- UNC and North Carolina are experiencing unprecedented economic times.
- It is more vital than ever to make the best business-appropriate, mission driven decisions possible.
- Flexibility in setting and managing compensation has been requested by the Clinical and Basic Science Chairs.
- The modifications to the compensation plans meet this need and increase the number of tools available to our Chairs to manage their departments.

Flexibility Needed

- In tough economic times compensation plans **MUST**
 - » Be equitable;
 - » Apply to all;
 - » Reward performance; and
 - » Meet budgetary constraints.
- Compensation plans **MUST NOT**
 - » Interfere with the rights of tenure; or
 - » Fall below a minimum floor salary.

Changes to the Faculty Compensation Plan

- Applies to all faculty
 - » Fixed Term
 - » Tenure-track
 - » Tenured
- Minimum base salaries set by academic rank annually. Process consistent across Clinical and Basic Science faculty.
- Basic Science faculty base salary no longer linked to the 2006 salary.
- Salaries can be reduced for individual performance or for financial difficulties to the entire department. Expectation that these provisions will be rarely used.
- Appeal process for faculty to challenge the salary reductions.
- No opt out provision to plans as allowed previously.

Key Components Retained

- Compensation will have two components
 - » Base Salary
 - » Variable or Productivity Component
- There is **NO** change to the practice started in 2006 of rewarding extraordinary effort.
- Targets will be set prior to the beginning of the fiscal year after consultation with faculty.
- Departmental flexibility for targets is retained.