

Meeting of the General Faculty Council
February 10, 2004
12:30-2:00 p.m.
Jordan Hall Conference Center G1 and G2

Present: Mary Abouzeid, Elaine Attridge, Jann Balmer, Jennifer Bauerle, Jean Collier, Donal Day, Nancy Gansneder, Phil Gates, Robbie Greenlee, Bill Keene, Robin Kuzen, Lotta Lofgren, Chris Milner, Greg Strickland, Prue Thorner, Lynda White.

Absent: George Hashisaki, Derry Wade.

Also in attendance: Tom Gausvik and two members of his staff; seven guests.

I. Introductions and welcome

The meeting was called to order at 12:30 by Chair Lotta Lofgren. She began the meeting by welcoming everyone and thanked School of Medicine Senior Associate Dean for Finance and Administration Jay Scott for coming to speak with us. She invited Tom Gausvik to talk about House Bill 525, a proposal in the General Assembly to ensure health care benefits for salaried employees (not wage workers) working 20 hours or more. This would cost \$750,000 to one million dollars per year; 266 faculty members would be eligible for this new benefit, if the legislation passes (employees working 32 hours and above received coverage last fall). The bill does stipulate that part time employees who enroll will have to pay the entire cost of the insurance themselves without any subsidy from the university. If it passes, the change would take place July 1, 2004. The bill, which has the support of higher education, is in committee now. It has to be approved by the House and cross over to the Senate. But the prognosis looks good. The council agreed this was good news for our efforts in this cause. *[Note: since the GFC meeting, the bill was passed unanimously by the House and has crossed over to the Senate.]*

II. Conversation with Senior Associate Dean Jay Scott

QUESTION: What is the role of the General Faculty in the health system? How large a contingent is it? By what categories are the members of the General Faculty classified? How do they fit into the overall structure of the health system?

RESPONSE: The organization of the health system is complex and made up of different entities. Some are similar to other units of the University, some very different. We use "health system" to represent the whole system which covers all of the component parts. But in reality, we are not one entity.

The School of Medicine (SOM) is a unit under the provost (the VP/Dean reports to provost for academic issues just like other deans). The director of the Health Sciences

Library reports to the dean of the School of Medicine and the School of Nursing reports to the provost. The CEO of the Medical Center reports to Leonard Sandridge. The VP/Dean of the School of Medicine also reports to Mr. Sandridge for clinical related issues. The Health Services Foundation (HSF) does not have faculty, although some of their employees have joint appointments. The HSF is subject the University's policies on related foundations. They do all the billing for physician faculty and pay some portions of salaries of some faculty (for example, the first \$100,000 of a doctor's pay comes from the University; the remainder comes from HSF).

There are about 900 members of the faculty at the School of Medicine; 418 are general faculty (non-track). There are four categories: clinical faculty (183; their compensation can come from SOM and HSF), research faculty (155, divided into research support [working on other people's grants] or research independent [have their own grants]), administrative/professional (64); and instructional faculty (16). Tenure-track clinical faculty are engaged in teaching, research, and patient care; non-track faculty are engaged in one or two categories rather than all three. Tenure track non-clinical faculty are very similar to tenure track faculty in other schools.

The medical school handles faculty a little differently from other schools. There is a clinical remuneration plan in place for all clinical faculty: each faculty member has an income statement that shows revenues generated for patient care, grants, teaching efforts, expenses (all OTPS). All faculty have to have a break-even bottom line or better. If they don't, their compensation may be adjusted accordingly. Research faculty have appointments dependent on availability of funding. In general, independent research faculty members are 100% dependent on external funding.

QUESTION: How do the needs of the General Faculty in the health system differ from those of the General Faculty in the rest of the University? For example, are salary inequities, protection of researchers from the vagaries of grant funding, benefits, job security issues there as well? What issues are unique to the health system General Faculty?

RESPONSE: Other than for the clinical faculty, the needs of General Faculty in the health sciences system don't differ. The issues that affect others affect them. Benefits, parking, raises, job security are all matters of concern. Evaluating clinical faculty and patient care is a challenge. The school is working on how to incorporate patient care into the evaluation process.

Relative to salary issues, we have the same problem. We try to come up with national data (using the AAMC survey: our goal and cap is the 60th percentile of this survey). We compare these every year to our own faculty salaries, and chairs make recommendations. We have an incentive plan for clinical faculty based on remuneration plan described above. This is for both track and non-track clinical faculty. We also have an incentive plan for tenured or tenure track teaching and research faculty. We do not have incentive plans for non track research faculty; they generate their own compensation from grants. There is a University wide incentive plan for the classified staff (up to \$1000 year and 5

days off). At this time, non track research and administrative faculty are the only groups without an incentive plan.

QUESTION: We are interested in the potential effect on the General Faculty of the University's goal to gain greater independence from the state. How did the health system's achievement of greater autonomy some years ago affect its general faculty?

RESPONSE: In 1989, 2000 Health Care Professionals came out of system; in 1998 the University came up with a plan for faculty. That's when we went to medical center management contracts. Some faculty were grandfathered in. A couple of individuals have appointments as General Faculty (paid under University side or Medical Center side). Agency 209 received autonomy several years ago; the drop in numbers had nothing to do with codified autonomy. There are no General Faculty at the Medical Center; they have been changed to staff. The Medical Center has its own HR center, which handles everything except benefits, which are still handled centrally.

QUESTION: Does all research in the health system come from the academic side? How does research affect pay structures?

RESPONSE: A vast majority comes through the SOM. The library has some. The Medical Center has some. But essentially research comes through the academic side. We do have clinical trials; those take place in hospital space but the research awards go to the SOM 9 times out of 10.

Regarding pay structures, a very successful clinical faculty member's remuneration plan would reflect that success in salary. For faculty funded by research grants, the NIH salary cap is now \$175,700 per year for PI's. Again, we use the AAMC 60th percentile as a guideline. We don't have a lower pay scale for research faculty than other faculty we simply use the appropriate AAMC scale to match the type of appointment, rank, and specialty. We have spent a lot of effort this past year making sure that the research assistants and associates are appropriately paid. This is a group that seems to sometimes fall in the cracks and in certain situations, compensation has not kept up with qualifications. We've done a made a significant effort to keep salaries competitive for faculty but we have 309 individuals on professional research staff in addition to 900 faculty.

QUESTION: What are the sources of funding for General Faculty in the health system? Do the foundations play a role?

RESPONSE: The HSF does play a role. I mentioned the remuneration plan. There are various ways to show the contribution the faculty member brings to the University. The Foundation can also send money to the University in order to fund salaries and allow the University to act a paymaster. Example - If a clinical faculty member generates patient revenues that come into HSF; but the same faculty member is paid \$95,000 year, the entire salary comes from the University but money is transferred from HSF to the University to pay that faculty member's salary. The size of the SOM is difficult to

fathom: there are 21 clinical departments in the SOM, 7 basic sciences, a number of interdisciplinary research centers, and assorted other operating units. Total budget for the School of Medicine including the HSF portion of the clinical departments - \$340 million a year.

About hiring and rank: Faculty are hired with contracts either as general faculty or tenure-track faculty. With non track research faculty, there is no expectation of continued employment. The appointments are all contingent on the availability of funding. With clinical faculty, their pay is based on their remuneration plan. For administrative faculty, we have one, two, and three year contracts. We have disassociated associate professorships from tenure. A tenure track assistant professor has 6 years to get promotion to associate professor and another 4 to earn tenure. We discourage cross-overs from track to non-track faculty. At the SOM, for better or for worse, we have developed a "bottom-line" mentality. We have less of an issue with expectation of continued employment. Tom Gausvik remarked that those who already HAVE expectation of continued employment will keep it; they are grandfathered and protected by the current policy document.

QUESTION: How well does the "flex-up" system work for employees of the health system? How does this affect members of the general faculty? Where do funds to pay for the flex-up benefits come from?

RESPONSE: This is a Medical Center question. Contracts exist for employees who agree to 60 percent employment and then flex up to more time as needed. These are people hired to meet the needs of the Medical Center. Staffing can be flexed-up to match the patient loads without hiring and firing. Mr. Gausvik said they tried to do this with the rest of the University but we were told in 1993 that it could not be done.

QUESTION: What are the top issues of the general faculty of the HSC?

RESPONSE: They are different for different groups. In general, raises are an issue. When we compare our salaries to national numbers, the existing salaries are low. The University receives only 8.6% of its budget from state funds. We have to fund 92 percent of faculty raises. We can generate greater clinical revenue, but that is difficult to do: we may see increases in patient numbers, but we also see a decrease in payment by insurance companies; indigent care affects the budget as well. Even if we had authority to give raises, we don't have the resources. We're also at the end of 5-year period of substantial increases in funds from the NIH increases and will no longer see the large growth in those revenues. Right now we're ranked 48th of 74 public universities in terms of state funding per student. If the state funded us to the average level of per student funding across the country, we would have another \$5 million per year to support our programs.

GFC member Bill Keene asked Mr. Scott and Mr. Gausvik to clarify earlier statements concerning the expectation of continued employment (ECE) for GF and associated criteria for grandfathering when portions of the HS gained semi-autonomous status.

Mr. Scott replied that when some units of the Health System were granted semi-autonomous status, the ECE for GF who had not already earned it was eliminated, although the same standards of notice (up to one year depending on seniority) specified under the old system still applied. Under the new system, GF are employed for contracts of specified duration (typically 1 to 3 years) as is the case for GF in the rest of the University and in the private sector but, unlike those employed in the rest of the university, senior GF within semi-autonomous units of the HS are not ineligible for protections afforded through the ECE under the current Policy on the GF. However, both Mr. Scott and Mr. Gausvik stated that GF within those units who had already earned the ECE under the old system (prior to semi-autonomous status) were grandfathered and thereby retained ECE under the new system. They indicated that rights earned by GF under the old policy could not be eliminated upon implementation of a new policy under semi-autonomous status. Due to attrition, the numbers of GF who currently serve with the ECE in those units has decreased and only a few remain.

Lotta thanked Mr. Scott for his presentation. The meeting was adjourned at 2:00 p.m.

The next meeting is March 9th at 12:30 p.m. in Bryant Hall's football recruitment room.

Respectfully submitted,
Mary Abouzeid, secretary