I. Introduction

The Department of Allied Health Sciences (DAHS) is a component of the School of Medicine of the University of North Carolina at Chapel Hill. The DAHS shares many characteristics with other departments in the School classified as either “Basic Science Departments” or “Clinical Departments”. However, the DAHS differs significantly from these other departments in its requirements for different types of faculty productivity and in its overall salary levels. Like all the departments in the School of Medicine, however, DAHS faculty work on a mandatory 12 month schedule and are expected to generate a significant portion of their Division’s operating budget, including faculty salaries, through their clinical practice, funded research, teaching, and/or contractual services. It is necessary, then, that the DAHS have the ability to adjust these faculty salaries upward or downward on a year to year basis, in direct response to levels of faculty productivity and the resulting availability of salary funds. Further, there is considerable variability and change over time in the relative workforce demands and competitive salary levels for each of the disciplines represented by the seven Divisions that make up the DAHS. In recognition of these unique factors, the DAHS implemented its first Faculty Compensation Plan in 2003 in response to the Department’s need for a policy that would allow annual salary adjustments, both upward and downward, to accommodate annual fluctuations in the revenues and costs associated with these faculty activities.

This FY18 Plan updates and refines previous versions of the DAHS Compensation Plan, makes it consistent with the current version of the School’s Clinical and Basic Sciences Faculty Compensation Plans (which govern this plan), and introduces an incentive component (beyond total annual salary) to recognize exceptional productivity in the Department’s tri-fold mission. Recognizing that the Divisions vary both in culture and in the type of education, research and/or clinical care responsibilities of their faculty, this plan provides flexibility for Division/Unit Directors to establish specific annual performance and productivity goals for individual faculty members, after consultation with those faculty.

Guiding Principles and Goals of DAHS Faculty Compensation Plan

The DAHS is composed of many highly ranked and valued professional programs that have reached this status because of the high quality and productivity of our excellent faculty. Our graduates excel in providing evidence-based care for their patients, quickly move into leadership positions wherever they are employed, and are often involved in scholarship as professionals. As a department and faculty we value the academic and professional missions of teaching, research, clinical service, and university and professional service. The outstanding DAHS faculty are an asset to the State of North Carolina because they educate future health care providers, researchers and educators. The faculty bring luster to the State along with national and international recognition of their work. This compensation plan provides a tangible mechanism for recognizing and rewarding the important efforts they contribute to missions of the Department and School of
The proposal described below represents an updating of our previously approved compensation plan, including as necessary to conform with current overarching SOM plans:

a) Allocate funds in accordance with Department and Division mission and goals.
b) Create incentives and rewards for individual and collective faculty productivity and performance;
c) Provide tangible recognition of faculty achievements;
d) Maintain long term faculty productivity and performance;
e) Retain highly productive faculty through the ability to provide competitive compensation; and
f) Seek to align compensation with mission-based productivity and national benchmarks (DAHS makes reference to ASAHP national survey data).

Given the identified goals for this compensation plan, the Chair’s Advisory Committee defined three **Guiding Principles** that remain central to the DAHS Faculty Compensation Plan proposed here. These principles are:

1. Teaching, research, clinical service, and professional service are all valued aspects of the DAHS mission
2. The DAHS compensation plan will reward both expected and exceptional performance.
3. Criteria and Procedures for implementation of this plan will be well-defined and fairly applied with all DAHS faculty

### II. Plan Summary

This plan covers fixed term, tenured and tenure-track faculty. Each DAHS faculty member will have a total annual salary, consisting of annual base salary plus any administrative supplements (if applicable). The annual base salary is set on an annual basis and compensates faculty for their core duties. In addition, depending on the overall financial condition of the Department, faculty members who demonstrate superior and documented performance that enhances the Department’s mission may be eligible to receive Incentive (Exceptional Productivity) Component.

Annual Base Salary will be determined each year on the basis of the individual faculty member’s actual productivity in the immediately preceding year, relative to his/her specific productivity goals for that year (i.e. his/her minimum work standards, as that concept is defined in the SOM plan and as documented in his/her completed Annual Productivity Plan and Performance Review). The setting of Annual Base Salary will also be contingent on the availability of both state and non-state funds within that individual’s Division or Unit. Division/Unit Directors will recommend annual base salary adjustments to the Chair of DAHS for faculty in their divisions, based upon the documented results of this annual performance review relative to minimum work standards / performance expectations. Performance Reviews must be signed and returned to Division Directors no later than June 30th each year in order for the relevant faculty member to be eligible for any salary increase considerations. The total annual salary (i.e. annual base salary plus any administrative supplements) recommended for
any one faculty member may be increased, decreased, or remain the same from year to year based on the individual’s performance in teaching, research, clinical service and administration, and on the overall financial status of the Division and Department; and shall be consistent with the Board of Governors salary policies. The actual funding sources used to pay these components of a faculty member’s total compensation in any given year may vary over time.

**Salary Components**

**Annual Base Salary**
Salary levels for faculty at each academic rank in the Department of Allied Health Sciences will be set by the Chair, in consultation with the DAHS Division/Unit Directors. This annual base salary will reflect current, expected minimum salary levels for allied health faculty at each rank who meet minimum performance expectations as established in their annual faculty plan and approved by their respective Division/Unit Directors. The current minimum DAHS Annual Base Salary levels for each rank are shown in Appendix A. These expected annual base salary levels will be adjusted periodically but not more frequently than annually, and only in connection with the fiscal year cycle, based in part on changes in state EHRA salary dollars provided to the Department during that time. Recommended adjustments in the DAHS Academic Minimum salaries will be forwarded to the Dean, School of Medicine, for approval.

Increases in the annual base salary component for the entire Department in any given fiscal year will not exceed the amount of increase in state EHRA salary funds for that year. Note that a State increase announced to UNC-Chapel Hill is not distributed uniformly around the campus and can be accompanied by a net decrease or increase to the Department. As is currently the case, any net increase in EHRA state funds can be allocated by the Chair in the best interests of the Department and consistent with sound fiscal policy. Additional rules and procedures with respect to the setting, increase and decrease of salary are set forth in the SOM plan(s).

Each faculty member will have measurable goals for the year. In addition to assessing performance relative to expectations for the previous year, Annual Base Salary is also set relative to a faculty member’s specific productivity goals for the coming year (as documented in his/her completed *Annual Productivity Plan and Performance Review* form), as well as the current and anticipated availability of salary support in the Division. Annual Base Salary rates may vary among rank across disciplines. Division/Unit Directors will recommend annual base salary adjustments to the Chair of DAHS for faculty in their Divisions, based upon the documented results of this annual performance review and goals set for the upcoming year.

Faculty members must document satisfactory completion of a full workload and all of his/her assigned faculty responsibilities at an expected level of performance. Recommendations for adjustments to Annual Base Salary will be based upon the degree to which the faculty member has met or exceeded the minimum work standards and productivity goals identified in his or her signed Annual Productivity Plan for the current year. In general, faculty who meet their productivity goals can expect that their Annual Base Salary will remain at or, when funds permit, slightly above the level of the preceding year. An increase in Annual Base Salary may

---

1 The UNC Board of Governors annually approves salary caps for School of Medicine clinical faculty, by Department. Faculty salaries (inclusive of all components of salary compensation: annual base salary, supplements, one-time payments and incentive) cannot exceed the stated caps without permission of UNC General Administration. Further, increases that exceed a certain percentage of total compensation also require approval.
be recommended for any faculty member who exceeds his or her productivity goals, with the amount of the increase based on both the significance of faculty accomplishments and the availability of funds. More specifically, the faculty member must meet the following minimum work standards / performance expectations:

a) Carry out assigned teaching responsibilities identified in his/her Annual Productivity Plan, at a level of performance that reflects competence and effectiveness based on a systematic evaluation;

b) Achieve scholarship productivity expectations identified in his/her Annual Productivity Plan for the current year;

c) Meet clinical productivity goals, if applicable, identified in his/her Annual Productivity Plan for the current year.

d) Meet research productivity goals, if applicable, identified in his/her Annual Productivity Plan for the current year.

e) Achieve specially assigned administrative expectations as outlined in his/her Annual Productivity Plan for the current year; and

Participate as a fully involved citizen in the life of the Division/ Department/School at an appropriate level for rank and workload assignments. Examples of citizenship include participation in faculty meetings, committee activities, Division or Department events, AHEC activities, meeting annual review deadlines, mentoring other faculty, and compliance with licensure, HIPAA, Medicare, and other regulatory requirements as predetermined by Department and Division policies. Faculty members are expected to commit at least 10% of their time and effort toward this type of activity.

Professionalism is a core value and expectation of all UNC School of Medicine faculty. All School of Medicine faculty are expected to treat colleagues, students, trainees, staff, patients and others in all clinical, educational, research and administrative settings with courtesy, respect and dignity. Further, faculty are responsible for fostering a respectful and inclusive environment and for modeling professional and ethical conduct in their clinical, academic, teaching and research activities. Unprofessional behavior includes that which is disruptive, intimidating, harassing, inappropriate, illegal or in violation of applicable UNC-Chapel Hill or UNC Health Care System Policies, including the UNCHCS Policy on Disruptive and Inappropriate Behavior (ADMIN 02014). Engaging in unprofessional behavior may result in (without limitation) the withholding of incentive compensation.

**Incentive (Exceptional Productivity) Component**

The Incentive (Exceptional Productivity) Component is intended to recognize superior performance that enhances the mission of the Department and recognizes the faculty member’s documented superior achievement. The Incentive (Exceptional Productivity) Component will be paid not more frequently than quarterly, though it is expected will be paid annually in September and will not be paid unless the individual faculty member has satisfied or exceeded their annual minimum productivity goals, as defined in their Annual Productivity Plan,
including covering their fiscal cost to the Department. Incentive (Exceptional productivity) payments are not required or guaranteed. The Department Chair’s recommendation to provide Incentive (Exceptional productivity) payments will take into consideration the current overall financial condition of the Department. The formal elements that comprise overall total cash compensation are reflected in the table below.

**Elements for Compensation**

<table>
<thead>
<tr>
<th>Annual Base Salary</th>
<th>Incentive Component</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Annual Base Salary is:</td>
<td>The Incentive Component is:</td>
</tr>
<tr>
<td>➢ Determined by the level of achievement of productivity targets and performance</td>
<td>• Not guaranteed</td>
</tr>
<tr>
<td>outcome in the preceding year</td>
<td>• Added to the Total Annual Salary in the form of a single additional payment in</td>
</tr>
<tr>
<td>➢ Dependent upon the overall financial condition of the Department</td>
<td>September of the following fiscal year.</td>
</tr>
<tr>
<td>➢ Variable</td>
<td>• Variable per the methodology outlined in the table below.</td>
</tr>
<tr>
<td>➢ Eligible to be increased from year to year when the Department as a whole has</td>
<td>• Over and above any salary increase that may have occurred for that fiscal year.</td>
</tr>
<tr>
<td>an operating surplus and the faculty member achieves productivity targets and</td>
<td>• Available for both fixed-term and tenure-track faculty.</td>
</tr>
<tr>
<td>performance objectives</td>
<td></td>
</tr>
<tr>
<td>➢ Eligible to be decreased from year to year when the Department as a whole has</td>
<td></td>
</tr>
<tr>
<td>an operating loss or the faculty member fails to achieve productivity targets</td>
<td></td>
</tr>
<tr>
<td>and performance objectives</td>
<td></td>
</tr>
<tr>
<td>➢ Set dependent upon whether metrics of the DAHS workload plan are met</td>
<td></td>
</tr>
<tr>
<td>➢ Determined upon evaluation of faculty’s <em>Annual Productivity Plan and Performance</em></td>
<td></td>
</tr>
<tr>
<td>Review forms, which must be signed and submitted by June 30th</td>
<td></td>
</tr>
</tbody>
</table>
The specific criteria to establish eligibility for the Incentive (Exceptional Productivity) Component for DAHS are contained below:

**Incentive (Exceptional Productivity) Component**

<table>
<thead>
<tr>
<th>Necessary Conditions</th>
<th>Incentives Will be Considered for:</th>
</tr>
</thead>
</table>
| • Faculty member meets all annual goals including fiscal cost coverage (i.e., salary + benefits) and those productivity goals and expectations set forth in the faculty member’s Annual Productivity Plan | **Teaching**
  ➢ Received University teaching awards
  ➢ Taught additional classes beyond expectations for the year
  ➢ Developed a new course and/or used an innovative teaching method
  ➢ Consistently high instructor ratings (>4.5). |
| • Faculty member has a combination of activities in the areas of Teaching, Research, & Service that exceed the normal expectations, as determined by the Division/Unit Director or Chair | **Research**
  ➢ Funding for a large center grant as PI or Co-PI
  ➢ Funding of a major individual grant as PI or Co-PI
  ➢ Generation of grant funding beyond target expectation |
| • Faculty member is recommended for an incentive payment by their Division/Unit Director and approved by the Chair based on the criteria to the right side of this table | **Service**
  ➢ Holding office on state and national committees
  ➢ Internal service on committees beyond expectations (e.g., serving on more than the typical number of committees at the request of the Director or Chair, mentoring committees, dissertations, admissions, etc.)
  ➢ State/National awards for service
  ➢ Number of patients seen beyond annual, personal productivity expectations. (For clarity, this metric will not include any work performed by someone other than the faculty member, even if billed in the faculty member’s name (e.g. that of APPs)).
  ➢ Development of innovative clinical models implemented on a broad basis |
| • Faculty member has ensured that his/her Annual Performance Review is signed and returned to his/her Division Directors no later than June 30th |
| • Availability of Departmental funds |

Incentive (Exceptional Productivity) Component is to be decided on an annual basis. Recommendations for Incentive Components will be made to the Chair by June 30th. The Chair’s decision to provide Incentive Component payments, as calculated pursuant to the above criteria, must take into consideration the current, overall financial condition of the Department. Distribution of any Incentive Components will take place in September of the following fiscal year. UNC Health Care System Mission Support may be used to supplement the Incentive Component based on criteria specified in this compensation plan (and not in any way that takes into account the volume or value of referrals or other business generated by DAHS faculty members for UNCH or any UNCHCS affiliate). The Department will distribute the Mission
Support allocation equally among each of the Divisions; and each Division Director may recommend 1-3 faculty who met the necessary conditions for incentive component as outlined on page six to receive supplemental incentive. Incentives will be considered for Teaching, Research and Service, consistent with the methodology outlined in this plan. All recommendations will have final approval by the Chair, and in no event will any decisions to award Mission Support-funded incentive be based on the volume or value of referrals or other business generated by the relevant faculty member(s) for UNC Hospitals or any other UNC Health Care System affiliate.

**DEFINITIONS**

**Annual Base Salary:** Current expected salary levels for DAHS faculty at each rank. These levels are determined by the Chair, in accordance with this Plan in consultation with the Division/Unit Directors, and approved by the Dean. Increases in the Annual Base Salary levels for DAHS faculty will be limited by the amount of the increases in state funds received by the Department each year.

**Total Annual Salary:** The sum of the Annual Base Salary plus any Supplements

**Incentive (Exceptional Productivity) Component:** This component is intended to recognize a faculty member’s superior performance across the tri-fold mission of the Department. The Incentive (Exceptional Productivity) Component will be paid annually (subject to the limitations of this Plan and the overarching SOM plan(s)), and will not be paid unless the individual faculty member has satisfied or exceeded his or her annual goals, including covering their fiscal cost to the Department. Incentive (Exceptional productivity) payments are not required or guaranteed. The Department Chair’s recommendation to provide Incentive (Exceptional productivity) payments will be consistent with the criteria outlined in the table above and must take into consideration the current overall financial condition of the Department.
## APPENDIX A

DAHS Annual Base salary Levels: 2017-18

<table>
<thead>
<tr>
<th>Position</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professor</td>
<td>$65,000</td>
</tr>
<tr>
<td>Associate Professor</td>
<td>$60,000</td>
</tr>
<tr>
<td>Assistant Professor</td>
<td>$55,000</td>
</tr>
<tr>
<td>Instructor</td>
<td>$50,000</td>
</tr>
</tbody>
</table>