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 FY17 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, 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 Medicine. The proposal described below represents an updating of our previously approved compensation plan, while preserving the original principles and goals of that plan:

a) Create incentives and rewards for individual and collective faculty productivity and performance;

b) Provide tangible recognition of faculty achievements;

c) Maintain long term faculty productivity and performance;

d) Retain highly productive faculty through the ability to provide competitive compensation; and

e) Allocate funds in accordance with Department and Division mission and goals.

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 (1) his/her Base salary and (2) a variable, Variable Component. In addition, depending on the overall financial condition of the Department or relevant Division, faculty members who demonstrate superior and documented performance that enhances the Department’s mission may be eligible to receive Incentive (Exceptional Productivity) Component.

The Variable Component 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 (as documented in his/her completed *Annual Productivity Plan and Performance Review*), and contingent on the availability of both state and non-state funds within that individual’s Division or Unit. Division/Unit Directors will recommend annual salary adjustments to the Chair of DAHS for faculty in their divisions, based upon the documented results of this annual performance review. 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 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

Base Salary

The base 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 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 DAHS Base Salary levels for each rank are shown in Appendix A. These expected 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 EPA salary dollars provided to the Department during that time. Recommended adjustments in the DAHS Academic Base salaries will be forwarded to the Dean, School of Medicine, for approval.

Increases in this base salary component for the entire Department in any given fiscal year will not exceed the amount of increase in state EPA 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 EPA state funds can be allocated by the Chair in the best interests of the Department and consistent with sound fiscal policy.

While the base salary is expected to remain relatively stable, it may be reduced during the annual salary adjustment period, on the basis of individual performance issues or across the board departmental financial conditions. If financial conditions require an across-the-board reduction, such a reduction may not exceed fifteen percent (15%) of faculty members’ current annual salaries. In unusual circumstances, total annual salary for an individual faculty member may be adjusted during the course of the fiscal year if significant and unforeseen long-term reductions occur in a faculty member’s funding sources or serious breaches in professional behavior occur. Such adjustments shall be (i) well-documented; and (ii) consistent with this plan; (iii) without regard to the volume or value of referrals the faculty member makes to UNC Hospitals or any UNC Health Care System (“UNC HCS”) affiliate. Further, there is a set, minimum salary below which no faculty member’s compensation can fall. This minimum salary is set based on the median Instructional Salary Rate for Allied Health Disciplines as published by the Association of Schools of Allied Health Professions (ASAHP). All recommended adjustments in faculty salary, up or down, must be approved by the Dean, School of Medicine, who must forward these recommendations through the University and UNC System leadership to the Board of Governors for approval.

Variable Component

The Variable Component of the total annual salary is just what its name implies: an amount that will be reviewed and adjusted each year, based on a faculty member’s current year productivity; and is reflected in the total annual salary recommended for that individual for the coming year. This amount can go up or down or remain the same on a year-to-year basis. The amount of this component, and decisions to raise or reduce it, will be based on review of a faculty member’s actual productivity, relative to his/her specific productivity goals for that year (as documented in his/her completed Annual Productivity Plan and Performance Review form), as well as the
anticipated availability of salary funds in the Division. Each faculty member will have measurable goals for the year. Division/Unit Directors will recommend these annual salary adjustments to the Chair of DAHS for faculty in their Divisions, based upon the documented results of this annual performance review.

To qualify for a Variable Component, the faculty member 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 the Variable Component will be based upon the degree to which the faculty member has met or exceeded the 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 Variable Component will remain at or, when funds permit, slightly above the level of the current year. An increase in the Variable Component may 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:

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 citizenry include participation in faculty meetings, committee activities, Division or Department events, AHEC activities, mentoring other faculty, and compliance with licensure, HIPAA, Medicare, etc. 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 annually and will not be paid unless the individual faculty member has satisfied or exceeded their annual 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 or other operating unit (e.g., Divisions, Clinics, etc.). The formal elements that comprise overall salary compensation are reflected in the table below.

Elements for Compensation

<table>
<thead>
<tr>
<th>Annual Salary Component (Base + Variable)</th>
<th>Incentive Component</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>The Annual Salary Component is:</em></td>
<td><em>The Incentive Component is:</em></td>
</tr>
<tr>
<td>Comprised of (i) an academic Base Salary which is determined by the Department of Allied Health Sciences according to faculty rank; and (ii) a Variable Component. Each of these components is further described as follows:</td>
<td>• Not guaranteed</td>
</tr>
<tr>
<td>• (i) Academic Base Salary is guaranteed; based on rank and prorated when a faculty member is appointed for less than full-time effort</td>
<td>• Added to the Total Annual Salary in the form of a single additional payment in the first quarter of the following fiscal year.</td>
</tr>
<tr>
<td>• (ii) The Variable Component of total annual salary is:</td>
<td>• Variable per the methodology outlined in the table below</td>
</tr>
<tr>
<td>• Determined by the level of achievement of productivity targets and performance outcome in the preceding year</td>
<td>• Over and above any salary increase that may have occurred for that fiscal year.</td>
</tr>
<tr>
<td>• Dependent upon the overall financial condition of the Department</td>
<td>• Available for both fixed-term and tenure-track faculty.</td>
</tr>
<tr>
<td>• Variable</td>
<td></td>
</tr>
<tr>
<td>• At-Risk from year to year</td>
<td></td>
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<tr>
<td>• Eligible to be increased from year to year when the Department as a whole has an operating surplus and the faculty member achieves productivity targets and performance objectives</td>
<td></td>
</tr>
<tr>
<td>• Eligible to be decreased from year to year when the Department as a whole has an operating loss or the faculty member fails to achieve productivity targets and performance objectives</td>
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</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>
<tbody>
<tr>
<td>• Faculty member meets all annual goals including fiscal cost coverage (i.e., salary + benefits) and those set forth in the faculty member’s Annual Productivity Plan</td>
<td>Teaching</td>
</tr>
<tr>
<td>• Faculty member has a combination of activities in the areas of Teaching, Research, &amp; Service that exceeds the normal expectations as determined by the Division/Unit Director or Chair</td>
<td>Research</td>
</tr>
<tr>
<td>• 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</td>
<td>Service</td>
</tr>
<tr>
<td>• Faculty member has ensured that his/her annual Performance Review is signed and returned to his/her Division Directors no later than June 30th</td>
<td></td>
</tr>
<tr>
<td>• Availability of Departmental funds</td>
<td></td>
</tr>
</tbody>
</table>

**Teaching**
- Received University teaching awards
- Teaching additional classes beyond expectations for the year
- Development of a new course and/or use of an innovative teaching method
- Consistently high instructor ratings (>4.5).

**Research**
- Funding for a large center grant as PI or Co-PI
- Funding of a major individual federal grant as PI or Co-PI (e.g., NIH R01 or equivalent, such as IES, NSF, MCH, etc.)
- Generation of grant funding beyond target expectation

**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

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, may take into consideration the current, overall financial condition of the Department or relevant Division. Distribution of any Incentive Components will take place in the first quarter 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).
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.

The Department will distribute any TeleHealth contract revenue according to the following methodology. Where a faculty member provides Telehealth services under the Department’s addendum to the School of Medicine’s Master Professional Services Agreement, that faculty member will receive 10% of the contract revenue associated with her/hers personally performed services. If a faculty member does not provide Telehealth contract services she/he will not be eligible to receive an incentive payment for provision of such services.

**DEFINITIONS**

**Academic Base (Minimum) Salary:** The salary level below which no faculty member’s compensation can fall. This minimum salary is set based on the median Instructional Salary Rate for Allied Health Disciplines as published by the Association of Schools of Allied Health Professions (ASAHP).

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

**Variable Component:** Component of total annual salary that can vary from year to year; the amount of this Variable Component will be based on the Division/Unit Director’s recommendation to the Chair each year, which in turn will be based on documented faculty achievements relative to mutually determined productivity goals for the previous year.

**Total Annual Salary:** The sum of the Base Salary and the Variable Component.

**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 and will not be paid unless the individual faculty member has satisfied or exceeded their 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 may take into consideration the current overall financial condition of the Department or other operating unit (e.g., Divisions, Clinics, etc.).
APPENDIX A

DAHS Base salary Levels: 2016-17

Professor: $65,000
Associate Professor: $60,000
Assistant Professor: $55,000
Instructor: $50,000