

June 15,1999

CLARIFICATION OF COMPENSATION SYSTEM FOR TENURED  
FACULTY OF THE SCHOOL OF MEDICINE

*University of Pittsburgh*

A tenured faculty member's salary associated with his/her tenure in the School of Medicine will not exceed the level of the current median salary for the equivalent rank of tenured faculty in the basic science departments of the School of Medicine. This includes Molecular Genetics and Biochemistry, Cell Biology and Physiology, Pharmacology, Neurobiology, and Cellular and Molecular Pathology. The salary median will be calculated on the basis of the base ("contract") salary and will not include incentives given to basic science faculty based on grant acquisitions. The salary median will be calculated at the beginning of each fiscal year and will be applied for the duration of the year.

1. The portion of a faculty member's salary associated with tenure may be less than the median if the faculty member's current total compensation is less than this figure. Compensation beyond the median levels will be viewed as supplementary, bonus, and/or incentive pay, unrelated to the tenure relationship.
2. Each School of Medicine Department will disseminate in writing to all tenured faculty members productivity standards which describe the expected levels and quality indicators of teaching, research, patient care, and administrative service. Assuming a satisfactory level of teaching performance to warrant the median salary associated with tenure described above, any additional compensation (unrelated to tenure) will be determined by these productivity standards. Each tenured faculty member will be evaluated yearly by his/her department chair, based upon actual performance which is measured against the productivity standards.
3. At the beginning of each fiscal year, each tenured faculty member will be given a performance plan for the coming year. The faculty member's performance vis-à-vis the productivity standards will be the basis for that faculty member's evaluation for that year. At mid-year, each faculty member will be given a written interim evaluation by the department chair, with a written warning that total compensation will be decreased in subsequent years if the relevant productivity standards are not met as the current year unfolds. At year's end, if the productivity standards have not been met, total current compensation will be reduced up to 20% for the next fiscal year. This process will be repeated each year (with a freeze on cost-of living raises), with a maximum reduction of up to 20% each year, until total compensation is

equal to the revenue credited to the faculty member in accordance with his/her department's policy of revenue distribution (based upon clinical, teaching, research, and administrative efforts) plus the median salary figure associated with tenure. Thus, the total compensation of a tenured faculty member could eventually decrease to only the median salary figure associated with tenure. Even then, this salary would only be warranted for satisfactory full-time teaching. Of course, if in subsequent years the faculty member once again generated sufficient revenues consistent with the then applicable productivity standards, his/her total compensation would again increase. In the case of a faculty member whose compensation has derived, all or in part, from patient care revenue, this portion of the total compensation shall be withheld for any fiscal year during which the faculty member declines to join the University of Pittsburgh Physicians Practice Plan (UPP).

4. While each tenured faculty member's evaluation and consequent compensation will be determined by the department chair, the faculty member may appeal to the Dean of the Medical School/Senior Vice Chancellor for the Health Sciences (SVC) for a review of that faculty member's evaluation and total compensation. The Dean/SVC will seek the Executive Steering Committee's recommendation in each case.
5. While the amount of salary associated with tenure is limited (not to exceed the median basic science salary for the appropriate rank), a faculty member's total compensation will usually be in excess of this limit (reflecting patient care, research funds, and/or administrative service, including departmental chairmanship). Thus, the portion of salary associated with tenure is but one component of potential total compensation.
6. For tenured faculty members who are Principal Investigators of NIH grants as to which the University is the grant recipient, the University will pay supplementary compensation up to the NIH cap (currently \$125,900) since this is the maximum allowable salary that can be compensated by an NIH grant. Again, however, this amount is not associated with tenure.
7. This compensation system applies to all tenured faculty in the School of Medicine, regardless of when tenure was or will be awarded. This system will be implemented July 1, 1999.
8. Department chairs are also subject to this compensation system, with the Dean/SVC negotiating their salaries and carrying out their evaluations.

Approved by the School of Medicine Executive Committee June 8, 1999  
Approved by Chancellor Mark Nordenberg June 14, 1999  
Approved by Provost James Maher June 14, 1999