PhD Performance – Based Budgeting

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Policy Objective

a. To encourage and tangibly reward productivity, cost-effective effort management and overall support of the research, academic and clinical programs at the University of South Florida Morsani College of Medicine.

b. To create a mechanism whereby PhD and non-clinically practicing MD faculty compensation is directly linked to MCOM performance measures that are reliable and accurate.

c. To establish objective metrics and measures to track and implement performance benchmarks that emphasize and recognize effort that contributes to the mission, vision, and values of the MCOM.
Applicability

All out-of-unit ranked PhD and non-clinically practicing MD faculty in the MCOM:

– Professor
– Associate Professor
– Assistant Professor
– Graduate Research Professor
– Distinguished Professor
– Eminent Scholar
Does not apply to

- Instructors (job code 9004), Faculty Administrators (9199) and other miscellaneous administrative faculty
- Chairs of basic science departments
- Other defined major leadership positions
- Faculty with a defined supported clinical role
- Faculty w/ active NIH/RO1/U01/U54/PO1 funding
- Faculty who are members of the National Academy of Medicine (NAM)
- Faculty Members with less than three years of service.
FY 16-17 Base Effort Funding

Comes from State / Department Funds:

- **Tenure or Tenure Earning Track**: 50% of base UCS salary
- **Non Tenure**: 30% of base UCS salary

OR as defined by the Letter of Offer
Non–Base Effort Funding

Remaining funding comes from:

a) EVUs
b) Administrative effort with funding
c) Rolling average on funded grants

(Note: unless prohibited by agency, the percent effort should be at least 10% per 100k award; we will not approve budgets that do not conform.)
Total Cumulative Effort

• The sum total of the Base Effort and all components of the Non-Base Effort equal the TCE.

• An applicable faculty member’s TCE will be calculated as a percentage of his/her FTE.
### Total Cumulative Effort – FY 16-17

<table>
<thead>
<tr>
<th></th>
<th>Base Effort</th>
<th>Non-Base Effort</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenure / Tenure Earning</td>
<td>50 %</td>
<td>50 %</td>
</tr>
<tr>
<td>Non-Tenure Earning</td>
<td>30 %</td>
<td>70 %</td>
</tr>
</tbody>
</table>
Effort Gap

Any delta between the Total Cumulative Effort (TCE) and the faculty member’s FTE will be considered an “Effort Gap”.
Base Salary Adjustment Calculation

• All applicable faculty members with an Effort Gap will have their salary adjusted.

• The calculation of a faculty member’s salary adjustment will be:

  30% of his/her current UCS x Effort Gap
Max Base Salary Adjustment

The maximum reduction of an individual’s base salary due to an Effort Gap (in a one year period):

**Tenure / TE:** 30% of UCS x Gap (max 50%)

Example - Worst Case Scenario
$100,000 UCS x 30% = $30,000 x 50% Gap = $15,000

**Non-Tenure:** 30% of UCS x Gap (max 70%)

Example – Worst Case Scenario
$100,000 UCS x 30% = $30,000 x 70% Gap - $21,000
## Base Salary Adjustment Calculation Example (Tenured Faculty)

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<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>Original Salary</strong></td>
<td><strong>$100,000 (UCS base)</strong></td>
</tr>
<tr>
<td><strong>Base Effort (Tenured)</strong></td>
<td>50%</td>
</tr>
<tr>
<td><strong>EVU Effort</strong></td>
<td>10%</td>
</tr>
<tr>
<td><strong>Administrative Effort</strong></td>
<td>0%</td>
</tr>
<tr>
<td><strong>Grant Funded Effort</strong></td>
<td>5%</td>
</tr>
<tr>
<td><strong>Total Cumulative Effort (“TCE”)</strong></td>
<td>65%</td>
</tr>
<tr>
<td><strong>Gap</strong></td>
<td>35%</td>
</tr>
<tr>
<td><strong>Adjustment calculated on 30% of UCS</strong></td>
<td>$30,000</td>
</tr>
<tr>
<td><strong>Adjustment = 35% GAP X $30,000</strong></td>
<td>$10,500</td>
</tr>
<tr>
<td><strong>New Salary</strong></td>
<td>$89,000</td>
</tr>
</tbody>
</table>
Timing of Adjustment Calculation

• Spring of the current fiscal year – initial reports are provided.

• The Effort Gap will be calculated on current FY basis in the month of June (i.e. July 1 – June 30), with any resulting salary adjustment being effective on July 1 of the new fiscal year.

• A faculty member who has an Effort Gap will not have his/her salary adjusted if the resulting salary reduction is calculated to be less than $5,000.
Base Salary Reinstatement*

A faculty member who has a salary reduction as a result of an Effort Gap may be eligible to have some or all of their salary reduction reinstated if they reach 100% TCE in the year subsequent to the year that the salary reduction is taken.

*Any such salary reinstatement shall be made solely at the discretion of the MCOM Dean.
FY 15-16 Results

- 11 funding gaps identified
- Administration worked w/ the chairs/supervisors and faulty members to clarify the effort
- Additional assignments were identified in some cases
- Four remaining faculty members received salary reductions
  Note, these reductions ranged from $6,615K to $19,615K. Two of the four faculty have resigned
FY 16 – 17 Timeline

- Spring, 2017 – Prepare Draft TCE Report
- Review draft with Chairs/Supervisors
- Determine potential assignment adjustments if needed
- June 2017 prepare final report for Faculty Affairs
- July 1, 2017 FY 16-17 Salary Actions Implemented
- July 1, 2017 FY 17-18 New proposed policy
## FY 17-18 Policy Update – effective July 1, 2017

<table>
<thead>
<tr>
<th></th>
<th>Base Effort (State/Dept. Support)</th>
<th>Non-Base Effort (EVUs, Rolling Grant Support FTE, or Admin FTE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenure / Tenure Earning</td>
<td>40 %</td>
<td>60 %</td>
</tr>
<tr>
<td>Non-Tenure Earning</td>
<td>20 %</td>
<td>80 %</td>
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New Max Base Salary Adjustment

The maximum reduction of an individual’s base salary due to an Effort Gap (in a one year period):

**Tenure / TE:** 30% of UCS x Gap (60% max)

Example - Worst Case Scenario
$100,000 UCS x 30% = $30,000 x 60% = $18,000

**Non-Tenure:** 30% of UCS x Gap (80% max)

Example - Worst Case Scenario
$100,000 UCS x 30% = $30,000 x 80% = $24,000
ANY QUESTIONS?

• Dr. Liggett for Research assignments
• Dr. Bognar for Educational assignments
• Dr. Parisi for Faculty Affairs

THANK YOU