

Faculty Compensation Plan

THE UNIVERSITY OF TEXAS MEDICAL BRANCH (UTMB) SCHOOL OF NURSING (SON)

I. COMPENSATION PLAN INTRODUCTION, PURPOSE AND OBJECTIVES

A. Introduction

The UTMB School of Nursing (SON) Compensation Plan describes a process designed to reward optimal faculty performance which contributes to UTMB's mission of excellence in education, patient care, research, and community service. The Compensation Plan is also intended to provide alignment between the goals of the institution and those of the School of Nursing and its programs. The Plan establishes guidelines for faculty performance and sets forth the manner in which faculty are rewarded for the achievement of excellence. The School of Nursing remains committed to providing a competitive compensation package including salary and retirement, as well as other benefits and rewards for performance.

B. Purpose

The purpose of the Plan is to provide a basis for establishing an annual salary and incentive compensation for faculty at UTMB SON. The Plan allows for salary increases in recognition of expanding a faculty member's duties, promotion in rank, excellent performance, scholarly accomplishments, noteworthy professional achievements and periodic market adjustments. Inherent in the creation of the Plan is the recognition that UTMB salaries are not permanent and can be reduced in the case of financial exigencies such as a marked decrease in legislative appropriations. With regard to faculty performance, expectations of rank appear on UTMB SON intranet, known as SONNET, and in the School's published Academic Appointments Promotion and Tenure criteria. Clarification of expectations is also available via discussion with one's Program Director and the Associate Dean for Academic Programs. Additional explanation is also available via discussion with the Dean of the School. This Compensation Plan does not constitute a contract or grant any rights beyond which any person is already entitled. UTMB retains the right to modify or cancel the Plan at any time. With regard to faculty performance, achievement of excellence is generally interpreted as that which exceeds the expectation of rank. Individual goal-setting exceeding the expectation of rank occurs with a faculty member's Program Director or the Associate Dean for Academic Programs and Administration.

C. Objectives

The Compensation Plan will strive to achieve the following:

- Be uncomplicated, understandable, and transparent to participants
- Provide adequate compensation to attract and retain excellent faculty

- Ensure fairness and consistency among faculty
- Establish a structure to set compensation
- Provide incentives to encourage teaching, research, practice and administrative productivity
- Provide for incentives to control expenses, improve quality, and strengthen the fiscal position of the programs and the School.
- Allow the SON to be responsive to changes in the market with regard to faculty salaries.

D. Compensation Plan Year

The Plan year will be September 1 through August 31 annually.

II. APPLICABILITY

The Compensation Plan will apply to all:

1. Full-time and part-time faculty.
2. Sources of funding used in support of SON faculty salaries.

These include:

State appropriations and tuition/fees
 Hospital and clinics salary support and subsidies
 Affiliated agencies' support
 Grant and contract support
 Endowment operating funds
 Philanthropy
 Other UTMB schools' support
 The UTMB President's Office

3. All sources of collected revenue generated within a faculty member's scope of employment with the School.

The Plan does not impact benefits to which an employee is otherwise entitled.

III. OVERVIEW OF FACULTY COMPENSATION STRUCTURE

Faculty compensation will be comprised of three components:

- A. School of Nursing Core Salary Component A
- B. Nursing Educator-based Salary Component B
- C. Incentive Compensation Component C

The term "*Total Compensation*" refers to the aggregate compensation derived from these three components.

Institutional Base Annual Salary

The faculty salary, consisting of components A and B, will be determined annually and will be set forth in the written, annual Memorandum of Appointment (MOA) approved by the Dean of the School of Nursing and President.

The total components of A and B will be the guaranteed annual salary only for the contract year as specified in the MOA. For those faculty with administrative responsibilities, any compensation for administrative duties is considered part of the Institutional Base Salary, but the administrative appointment and the associated compensation for that responsibility is discretionary and without term.

For submission of grant proposals to external funding agencies, a faculty member's grant requested salary will be based on the Annual Salary (total of A and B). For example, the annual salary will serve as the basis for calculation of the "direct salary" included on NIH grants or cooperative agreement proposals or applications.

A. School of Nursing Salary Component A

The School of Nursing salary Component A is applicable only to all full-time faculty (and to those part-time faculty who hold the title of Instructor, Assistant Professor, Associate Professor or Professor). The core salary is not intended to be the total salary for the academic appointment. The salary in Component A is based on national generic mean base nursing faculty salaries for the ranks of Instructor, Assistant Professor, Associate Professor and Professor.

The School of Nursing full-time faculty Component A salary will be determined annually based on faculty rank with a pro-rata adjustment for part-time faculty. Core salary will be consistent throughout rank within the School of Nursing. The Component A salary is specified for the period of the MOA.

B. Nurse Educator Salary Component B

Annual market value by rank, as set by the American Association of Colleges of Nursing (AACN) for Academic Health Centers with doctoral programs in the Southern region of the United States, provides the basis for calculating this component of salary. The most current annual AACN Survey of Faculty Salaries will be used to establish market salary level.

Consistent with Texas State Legislature requirement Components A and B will be proposed annually. Component B may increase or remain the same in subsequent years depending on the basis of a faculty member's assigned duties and responsibilities, research grants and contracts. Marked financial exigencies could necessitate a reduction in salary. Should an instance arise where a reduction in salary is proposed, the proposed reduction will be discussed with faculty prior to the time a decision is made. The final decision rests with the Dean. Salary Components A and B for each faculty member will be reviewed and approved annually by the Dean and the President for the period of the MOA.

C. **Incentive Compensation**

Faculty may be eligible for additional compensation in the form of incentive payments. The Associate Dean for Academic Programs and Administration in concert with the relevant Program Director will define in writing the plan for calculating and distributing incentive payments to School of Nursing faculty.

*The School Incentive plan rewards **excellent** faculty performance in one or more of the following:*

- Financially compensated faculty practice
- Scholarly activity including generating externally-funded faculty salaries (e.g. peer-reviewed publications in nationally-recognized journals, etc.)
- Outstanding teaching excellence as evidenced by measurable outcomes
- Excellent administrative performance as demonstrated by measurable outcomes.
- Other activities that significantly advance the mission and goals of the School, such as assuming additional responsibilities.

Funding of incentive payments should be made from a positive margin as set forth by UTMB on a fiscal year basis.

Incentive Payment Options:

- I. Non-Recurring Merit (NRM) Payments:** All faculty are eligible to be paid NRM every six months or once a year as specified in the individual faculty member's incentive plan. Non-recurring merit payments are eligible for retirement benefits.

Any incentive payment made pursuant to this section is subject to all applicable salary deductions (e.g., FICA, federal taxes) and must be reported to the IRS as salary and wages. Depending on a faculty member's UTMB date of hire, State and/or federal law may impose a cap on the amount of salary and wages that can be counted as creditable compensation for calculating retirement benefits.

II. Associate Deans' Incentive Plan

The Dean will work with each Associate Dean to develop annual objectives and define an incentive plan for each Associate Dean which will include institutional goals and triggers. The President will approve the annual incentive plans for each Associate Dean.