

Final Recommendations

to the
Chancellor's Cabinet

from the
Tenure Review Task Force

University of Arkansas for Medical Sciences

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SUMMARY OF RECOMMENDATIONS

I. Tenure and Compensation

The Task Force recommends creation of a compensation system for faculty based on three tiers, incorporating base, market place adjustment and incentive/productivity components. Only the base and market place adjustment components should be included in the salary provisions of tenure. Alternately, the incentive/productivity component should be specifically outside the scope of the institution's financial obligation to tenured faculty.

II. Performance Review of Tenured Faculty

The Task Force endorses the strengthening of the existing annual review process as a viable means for reviewing tenured faculty performance, revisiting professional goals, planning professional development and evaluating contribution(s) to respective departments and to the university. A rigorous interpretation of policies which are in place—accompanied by promulgation of some new procedures—can bring about results equal to or exceeding those that could be gained from implementing a separate post-tenure review system.

III. Retirement Related Issues

Empanel a working group to develop detailed recommendations regarding the following possibilities:

- (1) Update procedures for granting Emeritus status to faculty upon retirement to reflect increased distinction and privileges associated with the title.
- (2) Plan and implement a phased retirement program.
- (3) Identify additional benefits for all UAMS retired faculty as a way to engage them in a productive and mutually beneficial relationship.
- (4) Establish a Multipurpose Business Center, which could provide a common work and resource area on campus for retired faculty and VIPs.
- (5) Enlarge the administrative structure and support necessary to effectively manage retirees, faculty planning for retirement, and retirement issues, including creation of a viable retiree database or information system, and by providing retiree services, especially retirement planning and counseling.

IV. Miscellaneous Faculty and Tenure Issues

- (1) Standardize the use of uniform titles and title modifiers across all colleges and departments, assuring comparable syntax and meanings, to resolve differences such as “clinical assistant professor” versus “assistant clinical professor.”
- (2) The Colleges of Pharmacy and Health Related Professions and the Library should develop at least one pathway on a non-tenure track for faculty to complement tenured tracks and pathways already in place.
- (3) The institution should examine whether tenure policies with regard to AHEC faculty should mirror identically college-based tenure standards, and should determine overall tenure policies which best serve the unique nature of AHEC sites.
- (4) Clarification of Board Policy 405.1 by General Counsel should be obtained, specifically concerning the applicability of tenure policy to partial-appointments and part-time faculty; and compatibility of language with CoM guidelines regarding clinical titles. Also, salary and compensation policies developed by the Task Force should be reviewed by General Counsel.
- (5) Create and maintain a faculty information system as a secure, comprehensive repository for faculty data which will improve analysis of faculty data and trends as well as bolster college and university capacity for forecasting, planning and policy development of faculty issues.

I. TENURE AND COMPENSATION

A. Introduction

Task Force members were charged with providing guidelines to determine the proportion of faculty total salary package implicitly covered by tenured status. Members reviewed aggregate studies, case studies of medical school tenure policies and procedures, and existing university policies on tenure, pathway structures, and faculty compensation. The group also reviewed aggregate faculty salary information from UAMS, UA Fayetteville, and from the AAMC on basic science faculty in the southeast region of the U.S.

Members recognize that UAMS faces national trends experienced among virtually all academic medical schools, namely greater liabilities in the form of tenured faculty salaries at the same time that clinical revenues are stagnating or declining. Medicare and Medicaid reform in tandem with managed care cost-efficiencies have reduced the growth in clinical revenues to at best, negligible levels and in many cases notable decreases. Since clinical revenues represent the largest single part of the UAMS budget, only a small decrease will have significant 'ripple' effects throughout the UAMS budget, including its academic expenditures—including non-clinical faculty salaries. Unfortunately, state revenues provide only a fraction of the institution's total revenues and, even if increased, cannot compensate for the accompanying loss of clinical revenues.

B. Proposed Salary and Compensation Guidelines

In trying to define a reasonable definition of tenure-guaranteed salary, members reviewed the American Association of University Professor's (AAUP) *1940 Statement of Principles on Academic Freedom and Tenure* as a starting point. In its statement, the AAUP describes tenure as a means to two specific ends:

- (1) freedom of teaching and research and of extramural activities; and
- (2) a sufficient degree of economic security to make the profession attractive to men and women of ability.

In its explanation and clarification of tenure issues, the AAUP's *Statement* identifies faculty (i.e., teachers and researchers), since it clearly developed its policies with a traditional, core academic functions in mind. Task Force members consider this a useful point of distinction. While it is the unique nature of medical school clinical faculty that allows significant self-generated income, and hence exceptional salaries, it is also this anomaly which provides the greatest potential liability for the institution and to the stability of the faculty as a whole. The institution's interests are clearly served by stabilizing its exposure on the salary guaranteed tenured faculty, especially clinical faculty receiving incentive and bonus salary guarantees based on clinical revenue.

The Task Force recommends that a tenure policy be adopted which provides that tenure covers the basic tenets outlined in the AAUP statement, namely that tenure guarantees academic freedom and a sufficient *teaching or research* salary contingent on continued performance and which specifically excludes salary provisions based on clinical income generated from university practice.

The task force also recommends that UAMS maintain a multi-tiered salary system to consist of a **base**, a **market-adjustment**, and an **incentive or productivity portion**.

While the Task Force examined possibilities with respect to formulae for determining each portion of salary, members agreed that an ad hoc working group of appropriate administrators and faculty should be formed to finalize such a formula. Such a working group should include representatives from each college, the Office of Human Resources, and the Office of the Vice Chancellor for Academic Affairs and Sponsored Research.

1. Base Salary

The base salary is a pre-determined amount with adjustments for rank and years of service which will apply equally to all faculty, and for exceptional service expected to continue in the long term. The base salary should reflect a competitive average within the state and the region to ensure that UAMS can continue to attract quality faculty.

While not formulating binding recommendations on a formula for determining base salary, members noted several advantages of using in some fashion the line item maximums set by the state legislature for academic positions. This matrix represents a fairly reasonable standard for faculty salaries, it already exists and would be conducive to prompt implementation, and it includes hierarchical adjustments for academic rank. Line item maximums are also regularly adjusted for inflation, so that this standard would provide a built-in method of incremental increases.

Members also noted, however, that one major problem with using the LIM matrix is that it represents a more compressed distribution among academic ranks than are in use at the university. That is, there is less variance among some categories of academic rank, especially full professor. The line item maximum for assistant professor at UAMS is approximately \$96,000; associate professor \$102,000 and full professor \$111,000. Percentage increases among these ranks is only 6% and 9% respectively. The distribution of actual faculty salaries at UAMS allows for greater differentiation, as suggested by the example of base salaries for basic science faculty—assistant professors earn 55% of the LIM and associate professors 57%, while full professors earn 80% of the maximum allowable. Since actual salaries may be significantly less than the LIM, it would seem inappropriate to use the LIM as a base for a guarantee.

Therefore, if line item maximums are incorporated into any formula for determining base salaries, this discrepancy should be taken into account. Otherwise, the policy will work to effectively punish senior faculty (professors) through salary restrictions which are not applicable to their junior colleagues at the assistant and associate professor ranks. Perhaps any standard proportion or percentage of the line item maximum could vary depending on academic rank, to correct the line item maximum structure which does not accurately portray salary progression for UAMS faculty.

Members strongly advise that new salary guidelines should not be too restrictive and that ample flexibility should remain at the university and college levels. To this end, the task force suggests that alternate methods for example, the lesser amount of standard proportions of two or more criteria—line item maximum, (adjusted, per the above paragraph), current salary, or average faculty base salary at UAMS—be employed. While perhaps more complex to administer, a more flexible system might better fit the needs peculiar to each college and faculty body.

2. Market Place Adjustment

The market place adjustment component allows colleges and departments to take into account the crucial skills required in some positions and the regional and national demand for those positions. Adjustments will be added to salary according to discipline-specific market place averages, again to ensure that UAMS can remain competitive with other employers for highly skilled faculty. This component will be determined using regional and national level data illustrating the demand and pay scales for particular disciplines/positions. UAMS will not guarantee a total salary equal to those of other like institutions, only that a good-faith effort will be made to distribute available funds in a method which takes into account prevailing market place differentials.

3. Incentive

Incentive portions of salary adjustments will recognize the clinical or research income and productivity generated by faculty, and will provide a structure for receiving bonus pay appropriate to the scale of contribution(s) made by the faculty member. While broad institutional guidelines must be established, enough flexibility should remain for deans to devise specific terms for awarding incentive pay that are appropriate to the needs and character of each college. Note should be given that incentive-based pay is not restricted to income-generating positions. Merit and productivity in teaching is as valid as clinical practice revenue and grant income.

Only **base** and **market place adjustment pay** are applicable to core academic functions, and are therefore guaranteed by the right of continued appointment established through tenure. **Incentive** funds are to be used as one-time rewards for performance of special merit or productivity. Incentive pay will not be included in the base or market place adjustment salaries of faculty members, and hence will assume a 'zero-based' position in respective budgets, since they will not constitute raises nor any form of incremental increase to which the faculty member is entitled.

Further, while exceptions to increase salary over the line item maximum should continue¹, the task force recommends that only the portion of salary equal to the line item maximum (or some standard percentage thereof), or the current salary, whichever is lesser, be considered "base" salary; and hence, only that portion of salary will be guaranteed to tenured faculty. While exceptions to the line item maximum are reasonable and useful in normal operating times, the institution should not be liable for salary measures that exceed maximum standards during times of financial distress.

C. Implementation

Members of the Task Force previewed major provisions of the three-tiered salary system to respective departments and colleges. Based on these discussions and in its own deliberations, Task Force members offer the following recommendations.

In its transition from current salary structure provisions to new procedures resulting from these recommendations, the Task Force strongly recommends that measures be taken to assure minimal hardship on existing faculty. We propose that in no case shall rules be promulgated which reduce the current salary level of any faculty member. Further, the new salary structure will provide for cost of living adjustments to the base salary relative to (inasmuch as funds are available) prevailing inflation indexes.

¹ By virtue of clinical multipliers or the "10/25" rule.

Indeed, salaries for the current year could be used as a benchmark for defining base salaries under the new system. In addition, faculty seem willing to forego increases in the base salary (plus COLAs) in favor of market place adjustments and incentives over an extended phase-in period, such as five years. Under this plan, all real increases in salary over the next five years for faculty would derive from the market place adjustment and incentive components of the salary package. So, at the end of five years, the distribution of faculty income should have achieved greater breadth overall, more accuracy with respect to prevailing market differentials, and a better fit between the axes of faculty performance and pay.

II. PERFORMANCE REVIEW OF TENURED FACULTY

The Task Force noted that many institutions across the country have implemented various forms of post-tenure review in attempts to assure that the same stringent standards which faculty met in order to receive tenure status continue throughout their careers. This body endorses the use of existing annual faculty review policies to provide UAMS with such assurances regarding its faculty. However, the existing system of annual review would be a more valuable tool if its role in faculty development were somewhat enlarged.

For example, steps should be taken to ensure that those responsible for conducting reviews (e.g., departments heads) are knowledgeable in faculty assessment, both in terms of goals and outcomes as well as techniques and methods. This might require that orientation sessions or workshops be organized for that purpose. If persons responsible for performing faculty reviews have not had prior experience or education, he/she could be asked to participate in these educational sessions.

Also, the process of faculty review and assessment should be viewed as an essential part of the effective management of the campus, with adequate institutional resources (staff and budget) allocated to this function. The Task Force recommends that formal programs and procedures be put in place to: measure faculty achievement, restructure job responsibilities, reallocate percent of effort among departmental priorities, upgrade skills, enlarge jobs, and create other faculty development alternatives.

III. RETIREMENT ISSUES

A. Emeritus Title

Currently, this title does not confer distinction or tangible benefits to faculty. The Task Force believes that the Emeritus designation should be elevated in status by requiring nominees to meet stringent standards. By assuring the highest quality of conferee, the status of Emeritus faculty will be elevated by virtue of exclusivity. Neither formal nor informal encouragement should be given to administrators to 'rubber stamp' applications for Emeritus status.

One of the surest ways to ensure that only truly qualified nominees receive the title is to attach substantial privileges and opportunities to conferees. Privileges need not be direct financial benefits, but could engage the faculty member in an on-going productive relationship. He/she might be provided office space (perhaps at the discretion of the department chair), to foster continued interaction with colleagues and students. The guarantee of office space would set Emeritus faculty apart from other retired faculty, who might have access to work space but with no guarantee. The guarantee of space to Emeritus faculty would **not** have to specify the location of the space, however,

so that department chairs could have flexibility in placing Emeritus faculty elsewhere on campus if necessary.

Other ways to engage Emeritus faculty might include the opportunity to continue participation on research projects on a part-time basis, work with faculty—especially young members—as a consultant, tutor graduate students, teach continuing education courses, lead symposia and workshops, or participate in public health and education conferences sponsored by the institution. Emeritus status could easily include—in addition to regular perquisites of retirees—keeping the faculty member’s name on the faculty roster in his/her department and in the UAMS campus directory, maintaining a business mailing address, and printing UAMS business cards.

B. Phased Retirement

The Task Force examined retirement plans and policies at UAMS and reviewed programs offered by other universities and academic health centers. Based on its deliberations, the Task Force believes that a thoughtful and well-designed phased retirement program could yield significant benefits. Typically, phased retirement plans allow faculty to work at reduced effort. That is, they receive 100% of benefits but work less than 100% time and receive commensurate salary. Occasionally some benefits are even increased, for example, the institution’s contribution to a retirement plan. This increase can be offset by the reduced number of years the faculty member would receive employer-paid contributions.

In return, the faculty member (1) guarantees that he/she will retire at the end of a five year period; (2) agrees to a reduction in percent of effort that can be capped (typically at 50%) or which decreases over time, such as 75% percent of effort for the first two years, then 60% for two years, then 50% for the fifth year.

Eligibility criteria would apply, much as they exist for early retirement. Many programs require faculty to be 55 or older, and to have worked at the institution a minimum number of years. A combined age plus years criterion could be employed as an alternate strategy. The advantage of a phased retirement program is that it makes retirement a more palatable choice to faculty, by providing a lengthy transition from full-time employment to full retirement.

The goal of this program should be to provide the institution with a greater variety of tools with which to effectively manage its human resources. By recognizing the diverse needs, nature and development of its faculty, UAMS will be better able to make mutually profitable decisions. Those crafting any such program should be careful, however, not to inadvertently encourage able and productive faculty into reduced effort simply because it may be financially attractive. Specifically, the free time gained through a reduced effort contract could be used to continue work, in essence, for the benefit of another employer, organization, or even for the faculty directly through lucrative consulting arrangements. This program should work to adjust percent of retirement-eligible faculty effort to percent of faculty *capacity*. To this end, a restriction similar to the one now in place for UAMS’ early retirement system might be attached to eligibility requirements, that allows participation only when there will be no detrimental effect on the program or department to which the faculty member is appointed, or to the institution as a whole.

C. Early Retirement

The Task Force noted that very few faculty have been approved for the institution's early faculty retirement plan. Members also believe that there are occasions that a faculty member's early retirement is in the best interests of the institution. For example, ill health or other life-altering events might result in the diminished ability or interest of the faculty member to continue to work.

While faculty members have the right under current policy to negotiate financial benefits, the Task Force believes that a more standardized set of non-financial incentives in the form of retirement privileges could also be employed to draw attention to the merits of retirement for some faculty.

D. Retiree Benefits

Further, we encourage rigorous investigation into possible privileges to all retired faculty members, so that they can continue to enjoy some level of collegiality and scholarly pursuit to which they have dedicated so much of their working lives. Possible privileges and perks might include free parking on the visitor's parking deck, educational discounts or waivers to UA institutions, library privileges, a 'Retired Faculty' ID Badge, invitation to campus events and gatherings, volunteerism opportunities (manning information booths, directing visitors, helping organize lectures and events, committee appointments).

Further, the Task Force recommends review of options for establishing a multipurpose business center, which could provide office and clerical support to retired faculty. This center is envisioned as a common area, perhaps with individual carrels available, similar to business centers located in many airports and hotels to accommodate patrons' business needs. While retirees could be a major target audience, the area could also be used for VIPs (patients, patient family members, visiting scholars and speakers), who need access to office resources. (Also see Appendix A for a more lengthy description of the proposed Center). While available to all retired faculty, some additional advantage might be reserved for Emeritus faculty. This kind of facility could also recoup some costs by charging discounted rates for services such as faxes and copies, or by charging a nominal activity fee.

E. Administrative Issues Related to Retirees

The ability of the institution to devise policies and procedures which align staffing patterns with the needs of the institution is critical to its future stability. As with most non-profit organizations, personnel expenses are the single greatest permanent expense of the institution. Further, the quality of UAMS' human resources is the most significant factor in determining the quality of its teaching, research, and clinical care. Therefore, managing the movement of faculty through productive careers also involves managing the move to *end* their careers as well (retirement). Specific measures intended to improve institutional capacity for retiree/retirement management include:

(1) Information on Retirees and Plans of Faculty to Retire

Collection and maintenance of basic information on retirees and those planning to retire to reinforce planning functions should be initiated. The Task Force suggests that officials in the Human Resources Department lead the development of a method to document and track information on faculty and retirees to support useful analyses. These analyses would allow the institution to gauge the aging of its faculty and take corrective measures as data indicated necessary. Studies show that while general national trends may occur in higher education faculty, these are frequently department- and discipline-specific. Medical school faculty, for instance, are often

characterized distinctly from other universities, e.g., as having a younger—on average—faculty, and by exhibiting a trend of later rather than earlier retirement. Only an internal process can accurately portray the current and future portrait of UAMS faculty and retirees.

(2) Retirement Services

Retirement counseling to assist faculty in planning for their retirement, as well as in making psychological and behavioral adjustments. The more comfortable and well-prepared faculty are in making the shift to retirement, the more likely they will be to accept such a change. Survey data also indicate that retirees who had pre-retirement counseling are more satisfied with their retirement experience, and have a more positive feeling about the institution from which they retired.

IV. MISCELLANEOUS FACULTY AND TENURE ISSUES

A. Faculty Titles

The Task Force proposes the preparation of a document to define faculty titles across the campus for consistent usage and meaning, to establish the definition of titles as well as modifiers (research, clinical adjunct) to standard titles. Also, precise syntax of titles will be defined (research assistant professor vs. assistant research professor) to be used in all cases within the university. Task Force staff will work with the appropriate Human Resources personnel to draft suggested definitions which are in compliance with University of Arkansas and UAMS policies. This document will be reviewed and finalized by Task Force members before being forwarded for refinement to the Deans of the Colleges, the Director of the Library, the Director of the Office of Educational Development, and to all Appointment, Promotion and Tenure Committees.

In order to improve cross-campus understanding and consistent usage of the designated meanings of various faculty titles, the finalized title document developed should be distributed to all department chairs, center directors, deans and associate deans as well as personnel involved in the official recording, documenting or processing of faculty title information. Administrators and staff should exclusively use titles as established in this document, for example in letters of appointment, contracts and contract-related correspondence, and reports. Necessary reference documentation will be prepared and distributed to administrators and staff regarding this revised system. In addition, a series of brief orientation sessions could be organized to help administrators and staff become familiar with revised titles and their appropriate use.

B. Tenure Within the AHECs

Practices involving AHEC-paid faculty should be reviewed to determine if current practices are congruous with long-term institutional goals, specifically whether: (1) overall levels of standard and commitment to tenured faculty should be expected at the off-campus AHECs just as it is in on-campus teaching units; and (2) whether policies governing appointment, promotion, and tenure among AHEC faculty should reflect identical standards and principles governing traditional academic units at UAMS and the University of Arkansas.

C. Non-Tenure Tracks

The Colleges of Pharmacy and Health Related Professions and the Library should develop and implement a non-tenure track system for faculty appointments in addition to current tenure tracks, which will complement the existing non-tenure tracks for faculty in the College of Medicine,

College of Nursing and the Office of Educational Development. The availability of non-tenure tracks will provide the college/unit and UAMS as a whole with a greater degree of flexibility in recruiting and appointing qualified personnel in the future. This flexibility is responsive to both the divergent needs and character of the workforce as well as the rapidly-evolving financial and administrative landscapes associated with healthcare, academia, and state government.

D. Clarification of Legal Issues

1. Issues

The Vice Chancellor for Academic Affairs (VCAA) will also request clarification from the General Counsel of the University on the following:

- a) The applicability of UA Board Policies to faculty employed under various terms: part-time or partial appointments, joint appointments whether intra-institutional (within UAMS colleges, centers of AHECs) or extra-institutional (VA, ACH), or partial-year contracts for 9 ½, 10 or 11 months.
- b) Ratification of the definition of tenure provided by the Tenure Review Task Force, which identifies only base and market adjustment salary components as guaranteed through tenure status, with incentive portions of salary defined as one-time, performance-based bonuses which are not secured through tenure status.
- c) Whether changes in the College of Medicine's promotion and tenure policies will require corresponding revisions in the language of UA Board Policy 405.1 on tenure-eligible titles. In existing policies, language specifically excludes faculty with clinical titles from tenure eligibility. However, the CoM now has the Clinical Scientist and Clinical Educator Pathways which are tenure tracks. General Counsel may be requested by the VCAA for an opinion on any conflict between language of the UA Board Policies and CoM's tenure guidelines.

2. Implementation

The VCAA will be responsible for disseminating the General Counsel's opinion among UAMS administrators, and will recommend—in consultation with General Counsel—proper revision in the language of any UAMS guidelines, policies, procedures or handbooks, where the relevant issues are addressed.

E. Management of Faculty and Tenure Information

Information on faculty in all colleges should be more readily available, and in a form that is meaningful for analysis in a number of respects, including but not limited to, attributes of tenured/non-tenured status, tenured/non-tenured track, percent appointment, and when joint or split among departments the percent of time in each cost center, the percent of time assigned in each department/unit, compensation (percent and total amount) from each cost center, beginning hire date at UAMS, history of promotions, status changes, application for tenure, degrees earned, title(s), title changes, and relevant demographic data.

To this end, the Task Force strongly endorses the effort of Academic and Administrative Computing in the development of a comprehensive faculty database which will function as a secure and confidential central depository of faculty information. Only pre-authorized individuals on

campus will be given necessary permissions to access such information in the performance of clearly identified job duties. Further, college-level access will be limited to intra-college use, i.e., key personnel in each college will have access to respective faculty only. We urge all colleges to cooperate in the development and maintenance of the faculty database (primarily by providing correct faculty information), in order to allow meaningful analysis of faculty issues in the future.

Among myriad other uses, such a database would also be useful to the Appointment, Promotion and Tenure Committees of each college in the course of reviewing applications for tenure. The availability of college-wide (or even campus-wide) trends and patterns with regard to rate of tenure applications granted, the proportion of applications/approvals in respective tracks and pathways, and a framework for estimating future financial liability for faculty salaries would be made possible through the use of faculty database information.