

Faculty Council Committee on Budget, Finance and Compensation

Annual report 2024-2025

Summary of FCBFC Charges

- The purpose of this Committee is to serve as the faculty's principal forum for the consideration of matters relating to the SOM's budgeting and financing.
 - Review of proposed budgets and SOM strategic plan
 - Report to the Faculty council with financial overviews of the SOM based on data from the Vice-Dean of Finance for the SOM
- With regards to Compensation, the purpose of this Committee is to consult with and advise the SOM administration on the formation and review of SOM policies and procedures concerning faculty compensation.
 - Consultation with SOM administration regarding compensation and annual allocation of funds for faculty compensation
 - Review guidelines from each department regarding faculty compensation
 - Competitive analyses of faculty compensation in peer universities
 - Other matters of policy and equity brought to its attention.

Members of the FCBFC

Clinical Department Representatives

Maninder Singh, MD Department of Anesthesiology – MHS (2027)

Agata Exner, PhD Department of Radiology – UH (2025)

Basic Science Department Representatives

Craig Hodges, PhD- Current Chair Department of Genetics – SOM (2027)

Ming Wang, PhD Department of Population and Quantitative Health Sciences – SOM (2027)

William Merrick, PhD – Previous Chair Department of Biochemistry – SOM (2025)

Tsan Xiao, PhD Department of Pathology – SOM (2026)

You-wei Zhang, PhD Department of Pharmacology – SOM (2026)

James Kazura, MD Department of Pathology- SOM (2027)

Ex-officio non-voting

Paul Bristol, MBA Vice Dean for Finance and Administration for the SOM

J.Alan Diehl, Ph.D. Basic Science Chair appointed by the Chair of the Council of Basic Science

Donna Plecha, MD Clinical Chair appointed by the Chair of Council of Clinical Chairs *Ex-officio non-voting*

Finances of CWRU SOM

A report from Mr. Paul Bristol, Vice Dean for Finance, (second quarter) indicates the SOM projected margin for the 2024-2025 year (FY25) will be about \$5.1 million. This is less than originally requested margin of \$9 million by the university from SOM but this reduction was primarily due to 1) the loss of tuition due to decreased enrollment in Master's programs 2) decreased or flat NIH funding in SOM.

For the FY26 year SOM is requested to produce \$12.9 million surplus for FY26. (FY 2026 budget for whole SOM is ~\$584 million so this margin is 2.2%)

Finances of CWRU SOM

Current Challenges:

- Proposed NIH indirect rate cuts to 15% (currently 61%)
- Slow down of NIH approvals and payline/budget cuts FY25/26
- Tariffs are going to increase costs for everyone

Finances of CWRU SOM

Proposed actions by SOM:

- Increase faculty salary coverage off grants from 48% to 52% with an overall goal of 70%
- Increase philanthropy
- Ensure Master's programs are sustainable and competitive
- Recruit faculty at all levels with proven track record in funding
- Build centers to improve multi-PI awards
- Reduce departmental deficits
- Increase tuition 2.5% over all programs

SOM Compensation in FY24 (median)

All schools

The latest medical school salary comparisons for 2024**

- a. Professor (AAMC - \$231,000 (n=290); CWRU - \$214,000 (n=102))
- b. Associate Professor – (AAMC - \$162,000(n=221); CWRU - \$151,000; (n=58))
- c. Assistant Professor – (AAMC - \$130,000(n=327); CWRU - \$124,000 (n=85))

**AAMC (Association of American Medical Colleges) – median salary, CWRU – median salary
AAMC data (Genetics, all schools); CWRU data from Eddie Bolden, Institutional Resources

SOM Compensation in FY24 (median)

Private schools

The latest medical school salary comparisons for 2024**

- a. Professor (AAMC - \$248,000 (n=150); CWRU - \$214,000 (n=102))
- b. Associate Professor – (AAMC - \$170,000 (n=126); CWRU - \$151,000 (n=58))
- c. Assistant Professor – (AAMC - \$139,000 (n=189); CWRU - \$124,000 (n=85))

**AAMC (Association of American Medical Colleges) – median salary, CWRU – median salary
AAMC data (Genetics, private schools); CWRU data from Eddie Bolden, Institutional Resources

Median Compensation discrepancy comparing CWRU SOM and all universities by rank

The % range discrepancy by rank AAMC salary (CWRU median salaries are on all below published data):

Assistant Professor – 5-11% below other schools

Associate Professor – 7-12% below other schools

Full Professor – 7-14% below other schools

It has been announced that the SOM merit pool will be 2% for the upcoming year.

Summary of current incentive portion of compensation plan

“Determination of incentive pay: Faculty members who display outstanding performance based on departmental “incentive pay” guidelines for research, service, and/or education (e.g. high merit) will be eligible for incentive pay in recognition of their achievements and/or responsibilities on an annual basis. Given the different missions of the various departments, criteria for high merit pay may be defined by the faculty and Chair of each department differently according to their departmental plan. The incentive component will be determined on an annual basis, will not be included in fixed compensation, and will not automatically renew from year to year. The incentive pay recognizes and rewards outstanding faculty performance without committing the SOM to permanent salary increases. To accommodate different Departmental circumstances, Chairs will nominate candidates for incentive pay to the Dean on an annual basis, and final decisions on incentive pay will be made at the school level.” From SOM Faculty Compensation Plan document dated 12-10-2012. **Not from the faculty bylaws.**

“The following plan, developed with the input of the Ad-Hoc committee on faculty compensation and the faculty council, and approved by the Dean,”

“In addition, the Faculty Council has recently established a faculty Committee on Budget, Finance and Compensation. This committee will periodically provide advice on Departmental plans and/or changes in plans proposed by Departments or the Dean.”

Changes to the SOM faculty incentive compensation plan

- Maximum incentive will be capped at 17% of total compensation and anything over 17% will be transitioned to base salary over three years for those meeting benchmarks
- If faculty do not reach 50% salary support from external sources the incentive becomes at risk. The 50% salary will be evaluated over a three year period June 1 2021 to June 30, 2024 for the upcoming July 1st. Then the window rolls over three years after that.
- If the three year average is below 50% faculty will lose 1/3 of their incentive starting July 2025. If that shortfall continues then they would lose another 1/3 July 2026 and then another 1/3 July 2027 if average coverage below 50% continues.
- SOM will consider teaching contributions to put the faculty member above 50% as it pertains to Medical school teaching and BSTP 1st year teaching effort.
- 104 of the 299 faculty that have incentive do not currently meet the 50% average but if teaching considerations are taken into account then 66 faculty would lose 1/3 of their incentive starting July 2025. The “savings” for the first year would be ~\$650K (or 0.1% of the whole SOM FY26 budget).
- There are some exclusions to this plan like junior faculty in the first 3 years of hire date, dependent faculty (under a primary faculty member’s funding support) and teaching faculty (hired as primary educators).

Changes to the SOM faculty incentive compensation plan

Positive:

- Putting caps on how much incentive faculty can have
- Rolling three-year average

Negative:

- Retrospective nature of this plan does not allow for adjustments before July 1st
- Current incentives have not been used as “bonuses” and more of salary adjustments/equity
- Does not take into account other teaching or high time burden service provided
- Timing isn’t optimal given potential NIH cuts
- This would be the first time mass faculty compensation reductions are being proposed when SOM is expected to produce surpluses by the university year after year. Reductions were never proposed when SOM was in the red in the past.
- If the current plan is truly incentive for “outstanding performance” then why do all new faculty have incentive as part of their beginning salary?

Future goals of FCBFC

- Work with SOM administration to suggest improvements on current incentive compensation plan
- Work with SOM administration on how to minimize budgetary issues
- Complete a comprehensive faculty salary report for SOM (rank and gender)
- Open to suggestions: craig.hodges@case.edu