

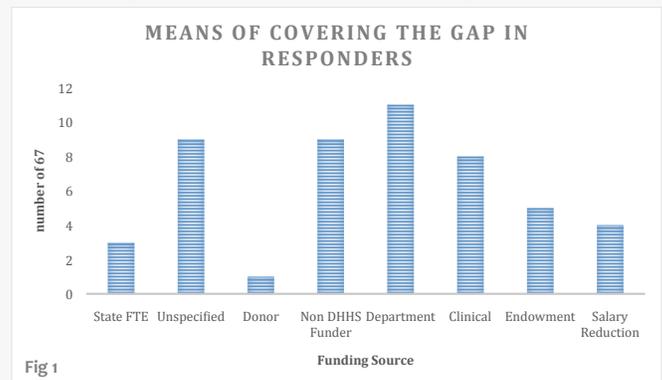
## Impact of NIH Salary Cap:

The Federal Department of Health and Human Services (DHHS) is a major funder for UCSF faculty; the National Institutes of Health (NIH) is an agency under the HHS. Since 1990, Congress has legislatively mandated a salary limits ("caps") for grant recipients from the NIH and other nonprofit entities; these caps are also used by some foundations and other funding agencies. While the cap does save some money for the NIH budget, at the institutional and departmental levels, it diverts funds, leaving less money for bridge funding, start-up packages, etc. The many respondents to this question indicate that this cap (as of January 10, 2016=\$185,100) is a significant challenge for faculty, particularly those of senior rank. 67 faculty members submitted comments to our question (figure one).

**"This is a big problem for faculty members like me who are funded only by the NIH and have no significant discretionary funds. Currently, my Department makes up the difference based on my strong record of university service, but this is a year-by-year decision with no long-term commitment and no provision in the department budget to cover it."**

Several respondents noted that their department or division has limited their compensation at the level of the cap. One reported that even the compensation for clinical work was limited to the cap. Some reported that coverage of the gap replaced any Y factor incentive for research productivity. Most respondents indicated that they are concerned or worried about the salary cap, and its future impact on their compensation.

There is little discussion in the scientific literature and the Internet about the outcomes of salary caps that are well below the level of typical compensation for a professor. However, a number of institutions provide guidance related to generating budgets for grant applications. Many of these note that ensuring that charges to grants follow Federal policy is the responsibility of Principal Investigators (PIs). Very little information is provided on how the many institutions that receive DHHS research funds handle salary caps and filling funding gaps.



A search of the Association of American Medical Colleges website brings up discussions of the NIH budget, but no specifics regarding the impact of the salary cap. It is clear from this site, and other scientific advocacy organizations, that their major focus of the scientific advocates is on achieving a steady or increased total research funding budget rather than the specifics of the component costs, such as the salary cap.

The responses provided by our faculty indicate that Departments and Divisions likely approach coverage of the gap differently. Some eliminate the gap by simply holding salaries at the NIH limit. For those in units that do not hold compensation to the Federal limit, our respondents seem to indicate that faculty seek to resolve the problem individually. Coverage of gaps in support from NIH and the faculty member's compensation based on rank and UCSF standard practice is reported to be determined by the individual's ability to negotiate, the resources specifically available to their unit and the philosophy of the leaders of their unit. This is not transparent, likely diminishes the sense of community, and may drive decisions that conflict with UCSF missions. For example, one respondent noted that he or she had reduced their research effort. The issue can drive faculty to achieve an unreasonable work load; if a professor, with a salary of \$220,000 has grants that support 80 percent effort, under the cap that person would receive \$148,000 from NIH which is 67 percent of their total compensation, and generated a gap of almost \$30,000. They must then work an additional 14 percent time to cover the gap in the NIH supported portion of their salary. The gap for someone devoting 95 percent effort to NIH grants is even larger driving a mismatch between effort and support. Some senior investigators who must seek support to cover a funding gap caused by the DHHS salary cap may end up competing for resources with early career faculty. On the other hand, the gap in support caused by the DHHS cap is predictable.

**"Some support from divisional/departmental funds, though it is frankly not enough to offset the gap. This is a HUGE problem and one that only gets worse as you move up the ladder."**

There are no easy answers to the funding gap created by the DHHS salary cap, but the UCSF Senate will work with our committees to create some best practices for use on campus. These would encourage greater transparency, and other means to reduce the adverse impact of the situation. Please contact the senate if you are interesting in contributing to this effort.

## In general, are there aspects of your work duties for which you do not receive commensurate compensation, and if so, what are these duties?

Most of the responses indicate that faculty members are productive in each of the major UCSF missions, but that does not reflect the variety of their contributions. For those who generate a large share of their support via research funding, teaching, mentoring, and university service is often minimally compensated. This problem is only further exacerbated by the DHHS salary cap. For example, a Professor earning \$220,000 who generates 80 percent of his or her salary via DHHS research funding, and receives five percent departmental support for teaching and service, must generate \$61K in non-Federal funds to support the unfunded portion of their research activity (\$27K), and their other UCSF activities.

**“Although it has improved, I still feel as if the support for clinical care with accompanying teaching responsibilities is insufficient for the time spent.”**

The extent to which compensation for clinical work matches effort is likely a function of specialty and setting. On that point, many respondents noted that their clinical effort is not fully supported.

While Advance provides information on the academic record of faculty, and includes some estimation of teaching time, there is no systematic collection of activity data for faculty. It is therefore difficult to determine whether an individual faculty member's support matches their effort. Additionally, there is no clear convention for estimating effort applied to either specific teaching activities or the various forms of service.

**“Clinical duties require much more than compensation for clinical care, including management of patients done through electronic methods. Mentoring is not compensated at all.”**

Some institutions have created systems to measure and track activity and productivity. At some institutions, these metrics are geared towards increasing productivity, while others use these systems to apportion funding for teaching or service. Although the high productivity of UCSF faculty is not in question, a self-reported activity instrument could be helpful in setting an equal system for appraisal, in communicating effort for faculty as they plan their support with leaders, and in studying how UCSF optimizes resources for teaching, administration and service. The UCSF Senate Division will consider creating an annual activity tracking system based on faculty self-reports. The process may lead to an increased recognition of the contributions from individual faculty, as well as a better sense that work is highly appreciated within the University community. It may also serve as a first step towards better compensated faculty members for the diverse range of activities that they perform for UCSF.

**“Research subsidizes clinical care. Discretionary funds subsidize research.”**

The Senate recently reviewed the literature on how activity of Health Sciences faculty is assessed and funded, and we found several reports on innovative systems of assessing and providing recognition for teaching. These include simple guidance for estimating time applied to teaching preparation – depending on the type of activity, along with educational value units, similar to value unit methods used to assess clinical productivity. One institution established a self-nominated educational award, which provides third party reviews of teaching-related activity, establishing a mechanism by which particularly impactful or innovative work is recognized and applied to merit appraisal. This system is not dependent on teaching volume or participation in an educator's academy, so it provides a mechanism for the recognition of educational achievements for faculty whose primary work is in research or clinical realms. Systems such as these can provide an incentive for innovation and a better sense of community by facilitating attention to individual faculty members teaching efforts. The Senate is evaluating the potential value of creating an activity tracking system, which could generate information that is useful to faculty in planning their support and in communicating the extent of their activities to leaders of their Departments and Divisions, and to CAP for merit and promotion appraisals. Besides an activity tracking system, we are considering offering protected time support to faculty who propose to create innovations, such as a broadly applicable educational value unit system and an augmented teaching appraisal system for UCSF.