

November 2, 2020 12:30 am BHSNJ Proposal

11-1-2020 BHSNJ Proposal

University October 31, 2020 – changes highlighted in yellow.

AAUP-BHSNJ October 30, 2020

University October 28, 2020 proposal (amendments to Part VI)

University August 20, 2020 responding to Union July 29, 2020, responding to 3-4-2020 - Package Proposal #1 amending January 28, 2020 proposal amending January 9, 2020 proposal amending October 22, 2019 proposal amending University September 16, 2019 counterproposal amending University proposal dated February 20, 2019 (presented on February 28, 2019) counterproposal to AAUP-BHSNJ presented December 19, 2018 and amending University proposal dated July 20, 2018 (as amended July 30, 2018)

ARTICLE VIII – The provisions of this Article. apply only to those negotiations unit members with an FTE of 0.5 or more.

COMPENSATION

Notwithstanding anything to the contrary, in no case will total compensation (for a negotiations unit member who performs clinical services) received from Rutgers and through its affiliated clinical partners (i) exceed fair market value, as determined by prevailing practices including reference to applicable salary surveys and consistent with US Department of Health and Human Services regulatory expectations or (ii) be determined in any manner that varies with or takes into account the volume or value of the negotiations unit member's (who performs clinical services) referrals to or other business generated for Rutgers or its affiliated clinical partners.

Subject to the appropriation of and allocation to the University by the State of adequate funding for the specific purposes identified for the full period covered by this Agreement, the following economic provisions shall apply:

I. Academic Base Salary ("ABS"), and Supplement and Fully Variable Supplement

- A. Each negotiations unit member shall be paid an academic base salary (hereinafter referred to as "ABS"). There shall be a contractual academic base salary minimum for each rank (hereinafter referred to as "CABS" and contained in the Appendices to this Agreement). No full-time unit member shall be paid an ABS which is less than the CABS and no part-time unit member shall be paid a prorated ABS which is less than the prorated CABS. At the time of hire, the ABS shall be set by the University at or above the CABS and shall be reflected in the letter of appointment. A faculty member's ABS shall not be decreased but may be increased in accordance with the provisions of this Article.

- B. Any negotiations unit member who provides clinical services may be paid a Supplement in addition to ABS (hereinafter referred to as the "Supplement"). The Supplement is set at the time of appointment/reappointment by the Department and will be reflected in the appointment/reappointment letter. **If the University decides to decrease a Supplement upon reappointment, the faculty member has the right to have the Union negotiate to impasse on the faculty member's behalf over the proposed reduction to the faculty member's Supplement.**
- C. The ABS and Supplement together will be paid on the University's payroll in bi-weekly installments, which is calculated based on the "daily rate of pay."
- D. The ABS and Supplement are used to calculate the negotiations unit member's contributions towards the member's applicable retirement program and for purposes of calculating the amount to be contributed towards health/prescription benefits.
- E. Effective July 1, 2020, a negotiations unit member in NJMS who provides clinical services shall be paid a Fully Variable Supplement (hereafter referred to as "FVS") to replace his/her UPA variable pay in accordance with Section VI of this Article. The FVS will be reflected in the appointment/reappointment letter. Other than those eligible for a FVS under Section VI. of this Article, the FVS may also be available to Clinical faculty as set forth in Section VIII. The FVS will not be counted as earnings for the purposes of calculating retirement plan benefit contributions.

II. Salary Adjustments

A. **Across the Board Increases**

1. Fiscal Year 2019 - All persons who were members of the faculty/librarians on June 30, 2018 and who continue to be employed as faculty members/librarians through the date of payment, shall receive a 3.0% across-the-board salary increase to his/her academic base salary retroactive

to July 1, 2018. Following ratification of the Agreement, retroactive across-the-board salary increases will be paid as soon as reasonably practicable.

2. Fiscal Year 2020 - All persons who were members of the faculty/librarians on June 30, 2019 and who continue to be employed as faculty members/librarians through the date of payment, shall receive a 3.0% across-the-board salary increase to his/her academic base salary retroactive to July 1, 2019. Following ratification of the Agreement, retroactive across-the-board salary increases will be paid as soon as reasonably practicable.

B. Merit Adjustments

1. Criteria:

Merit salary increases for Fiscal Year 2021 and Fiscal Year 2022¹ will be awarded to eligible faculty/librarians who have demonstrated during the fiscal year preceding the merit increase, recent and continuing achievement based on one or more of the criteria of education/teaching, research/scholarship, clinical/patient care, professionalism, and/or service.

The faculty member/librarian must be in a negotiations unit position as of the first full payroll in December 2019 (for a Fiscal Year 2021 merit increase) and December 2020 (for a Fiscal Year 2022 merit increase) and continue to serve in such position through the date of payment.

All unit members hired on or before December 1, 2019 (for a Fiscal Year 2021 merit increase) and December 2020 (for a Fiscal Year 2022 merit increase) and who received an overall performance evaluation of meets expectations/satisfactory or better for the Fiscal Year preceding the effective date of each merit adjustment shall receive a merit increase.

Notwithstanding the preceding paragraph, unit members shall not be eligible to receive a merit increase in the following instance:

- The unit member receives an overall performance evaluation score of 1 (Unsatisfactory) or 2 (Needs improvement) for the Fiscal Year preceding the effective date of each merit adjustment.

¹ As noted below in paragraph (B)(2), the Fiscal Year 2021 merit increase will be paid on July 31, 2021 and the Fiscal Year 2022 merit increase will be paid on July 31, 2022.

2. Salary Pool:

The salary increases will be applied to the ABS from a pool of funds (“salary pool”). The salary pool for Fiscal Years 2021 and 2022 shall be in the amount of 3.0% for Fiscal Year 2021 and 2.5% for Fiscal Year 2022 of the total ABS for all negotiations-unit members eligible for merit increases as of the first full payroll period in December 2019 (for a Fiscal Year 2021 merit increase) and December 2020 (for a Fiscal Year 2022 merit increase). **The 3.0% merit increase salary pool proposed by the University for Fiscal Year 2021 shall be deferred and not paid until July 31, 2021. The 2.50% merit increase salary pool proposed by the University for Fiscal Year 2022 shall be deferred and not paid until July 31, 2022.**

The salary pool available for merit salary increases within each School/Library will be based on the proportion of the total faculty ABS pool in each of the schools. It will be at the sole discretion of the Deans to manage the salary pool at the school level or to establish salary pools at the department level. If salary pools are established at the department level, it is up to the Department Chairperson whether or not to establish salary pools for each division.

The entire amount of the merit salary pool must be awarded to eligible negotiations unit members. Should a negotiations unit member leave the University prior to the date of payment of the merit increase for that Fiscal Year, but subsequent to a determination of a merit increase for that negotiations unit member for that Fiscal Year, the amount of that merit increase shall not be reallocated to other negotiations unit members.

3. Merit Increase Calculation:

The amount of a merit salary increase **paid on July 31, 2021 and July 31, 2022**, if any, that may be awarded shall be at least 1.0% of the faculty member’s/librarian’s ABS.² A faculty member/librarian may receive a merit salary increase of up to 6.0% of the faculty member’s/librarian’s ABS. If eligible, all salary increases shall be calculated based upon the unit

² If the employee’s ABS is the CABS, the employee will be moved to at least the percentage amount to which the CABS is being changed in that Fiscal Year (even if the recommended merit increase would have been lower than percentage movement). The amount needed for such an adjustment will come from the Salary Pool for merit increases for that Fiscal Year.

member's ABS as of the date prior to the effective date of the merit increase (e.g., **July 30, 2021** for a **July 31, 2022** merit increase).

Merit increases, if any, shall be given before a determination is made as to whether the resulting new ABS is at or higher than the new CABS for the employee's particular rank and title, or if an additional salary increase is required to bring the ABS to the CABS for that rank and title.

Recommendations for merit increases will be made first by the division chief (if applicable), and submitted to the department chair, then to the appropriate dean, and to the Chancellor. The Chancellor will forward all recommendations to the President for final approval. No faculty member will be notified of the merit increase prior to the President's approval.

4. Performance Evaluation Process:

On an annual basis, each negotiations unit member shall be assessed and evaluated as to professional competence in the performance of his/her duties over the year in question in accordance with the process outlined below.

No later than the first working day in June of each year, the faculty member shall submit evaluation materials to the Chair. Effective May 1, 2021 and each year thereafter, a negotiations unit member who does not submit these evaluation materials to the Chair by the first working day in June of each year shall not be eligible for a merit increase for the following Fiscal Year 2022. Notice of this requirement shall be provided to all negotiations unit members by email both on the first week of May (commencing May 2021) and in the last week of May. This provision shall not apply to faculty on approved leave during the month of May. Extensions until June 15 may also be granted by the Chair in exceptional circumstances. Completed performance evaluations shall be provided to the unit member by the first working day in July of each year. The chair/supervisor and faculty member shall meet to discuss the evaluation by July 15 of each year. Final evaluations shall be provided to unit members at the conclusion of the evaluation process.

Each evaluation shall set forth the faculty member's allocation of effort broken down, where applicable, to reflect effort spent on teaching/education (eFTE), research/scholarship (rFTE), service (sFTE) and clinical (cFTE). Each portion of effort must add up to the faculty member's total

FTE. To the extent clinical faculty have cFTE that is partly contract clinical work and partly productivity-based work, the evaluation shall set forth each portion of such work that comprises that clinical faculty member's total cFTE. In addition, for clinical faculty members, the annual performance evaluation also shall set forth, where applicable, the appropriate MGMA Academic Benchmark and AAMC Public Benchmark for that clinical faculty member.

Review of Effort and Benchmark Standard

For Fiscal Years 2019 through 2021 only—“The Review of cFTE and Benchmark Standard” set forth in the April 2017 Memorandum of Agreement Regarding Rutgers Health Group Clinical Incentive Program shall apply (understanding that there is no such Clinical Incentive Program in effect in Fiscal Year 2020). **The University agrees that it will not change unilaterally a negotiations unit member's cFTE between the date of this Agreement and June 30, 2021.**

The following paragraph shall apply effective July 1, 2021³:

As set forth above, the faculty member and Chair shall discuss the distribution of the faculty member's effort and productivity and compensation benchmark standards (where applicable) for each Fiscal Year commencing July 1. To the extent the faculty member and Chair cannot agree by July 15 of each Fiscal Year on a faculty member's rFTE, sFTE, and/or cFTE (and any apportionment between productivity-based cFTE and contract-based cFTE), where applicable, or the MGMA Academic Benchmark (or alternative where no appropriate MGMA Academic Benchmark exists) or AAMC Public Benchmark to be used for that clinical faculty member (where applicable) or Summary Statistics on Medical School Faculty Compensation for Public Schools PhD or Other Doctoral Degree, Basic Science Departments/Specialties or Summary Statistics on Medical School Faculty Compensation for Public Schools PhD or Other Doctoral Degree, Clinical Science Departments/Specialties for the “research faculty” member (where applicable), the Senior Associate Dean for Clinical Affairs (SADCA), for each applicable school (where applicable), and the RBHS Senior Vice Chancellor for

³ A faculty member's rFTE and cFTE used for purposes of calculating the CIP and/or Research Incentives to be paid out in fiscal year 2022 based upon fiscal year 2021 performance, may be adjusted, **in exceptional circumstances**, by agreement between a faculty member and his/her chair/supervisor.

Academic Affairs and Research (SVCAAR), shall meet together with the Chair and faculty member and issue a determination of the faculty member's effort(s) and/or appropriate productivity and compensation benchmark standards (where applicable) within ten (10) calendar days of submission from the Chair. If the faculty member disagrees with the SADCA's (where applicable) and SVCAAR's decision, he/she may ask the Dean of the School within ten (10) calendar days of the SADCA's/SVCAAR's decision to review the SADCA's/SVCAAR's determination. The Dean shall issue a determination within ten (10) calendar days of submission from the faculty member.

Performance evaluations will evaluate the unit member's performance since the date of his/her last faculty performance evaluation and shall set expectations for the coming academic year.

Merit increases shall be informed solely by the unit member's performance during the evaluation period (date of last evaluation through date of current evaluation) preceding the effective date of the increase.

5. Evaluation Appeal Process

- a. There shall be an appeal procedure for an unsatisfactory or needs improvement Overall score on the performance evaluation of the negotiations unit member.
- b. A unit member may appeal that portion of a performance evaluation which results in the denial of a merit increase and which would result in a Salary Adjustment Based on Evaluation as set forth in part D below by filing a request for review within thirty (30) calendar days of receipt of the evaluation being appealed, or by September 30 following the Fiscal Year to which the evaluation applies, whichever is later. The request shall be filed with the Office of Academic Labor Relations, who shall provide copies to the Executive Director of the AAUP-BHSNJ and the Appeals Panel established by this subsection.
- c. The review shall be by an Appeals Panel comprised of two persons designated by the Executive Director of the AAUP-BHSNJ, two persons designated by the University, and a person designated jointly by the Executive Director of the AAUP-BHSNJ and the University, who shall be the chair of the Appeals Panel. The Executive Director

of the AAUP-BHSNJ and University shall designate substitute person(s) for the Appeals Panel in cases in which the originally designated person(s) cannot hear the matter because of a conflict of interest.

- d. The Appeals Panel shall schedule the review at a mutually convenient time. The parties may make written submissions to the Appeals Panel no later than seven (7) calendar days prior to the date scheduled for review. The Panel may request additional information from the parties.
- e. The Appeals Panel shall issue its decision to the parties, the Executive Director of the AAUP-BHSNJ and the Executive Director of Academic Labor Relations within thirty (30) calendar days following the date of the review, and the decision shall be final and binding on all parties.
- f. If the Appeals Panel sustains the appeal and agrees that the unit member's performance was at a level of meets expectations/satisfactory or better in the area(s) of the performance evaluation which caused the negotiations unit member not to be eligible for a merit increase (as set forth above in Sections II.B.1. and II.B.5.a.) and which would result in a Salary Adjustment Based on Evaluation as set forth in part D below, the appellant shall receive a merit increase (in such years where there is a merit increase program) within the range for such increases applicable to the year in question; the Appeals Panel shall make a recommendation for the amount of the merit increase, and the recommendation will be forwarded to the Chancellor of RBHS who will decide upon the amount of the merit increase consistent with the range set forth in Section II. B. 3. The decision of the Chancellor as to the amount of the merit increase will be final and binding. Moreover, the appellant shall not be subject to a Salary Adjustment Based on Evaluation as set forth in part D below. The recommendation of the Appeals Panel and the decision of the Chancellor regarding the merit increase will be provided to the parties and the Executive Director of the AAUP-BHSNJ. If the Appeals Panel does not sustain the appeal and agrees that the unit member's performance in the area(s) which resulted in the denial of the merit

increase and/or which would have resulted in a Salary Adjustment Based on Evaluation as set forth in Section D -below was less than meets expectations/satisfactory, the unit member shall receive no merit adjustment for the year in question and shall be subject to a Salary Adjustment Based on Evaluation as set forth in part D below.

- g. The Appeals Panel, the Association and the University shall hold in strict confidence all materials supplied to the Panel, the Panel's decisions and recommendations, and the decisions of the Chancellor.

6. Grievability

The academic judgment that forms the basis of the granting or failure to grant a merit salary increase, including the size of the merit salary increase, is not grievable. Allegations of a violation of the procedures related to the merit increase (and other than the Evaluation Appeal Process described above) may only be pursued pursuant to Article __ - Category 2 of the Agreement. This section does not apply to the procedural provisions of Section D below, which may be grieved as a Category 1 grievance.

7. Information

The University will inform the AAUP-BHSNJ as to the amount of funds allocated to the merit increases.

The University will notify individual faculty members of the decision regarding a merit salary increase, if any, for that faculty member.

At the conclusion of the merit increase process for Fiscal Years 2021 and 2022 (**paid on July 31, 2021 and July 31, 2022, respectively**), the University will inform the AAUP-BHSNJ of the faculty member's school, department, academic rank, overall performance rating and merit salary increase, if any. In those instances where an eligible faculty member received an overall evaluation rating of "meets expectations/satisfactory" or better and also received a merit increase of less than 1.5%, or greater than 5.0%, the University shall provide the Union with a

document identifying those faculty members with a general statement by the appropriate Dean and Chancellor that the merit increases for those faculty members “have been reviewed and are approved.”

Subsequent to the conclusion of the evaluation process, unit members shall be provided a copy of their final performance evaluation and the evaluation shall be incorporated in the permanent personnel file.

C. All CABS shall be increased by 3% effective July 1, 2018, 3% effective July 1, 2019, 3% effective July 31, 2021 and 2.5% effective **July 31, 2022.**

D. Salary Adjustment Based on Evaluation – (this provision shall become effective July 1, 2021 based on evaluation for the immediately preceding Fiscal Year). This provision shall sunset on June 30, 2022. **and shall not be used for a downward adjustment for the preceding fiscal year.**

1. The employee’s ABS will be reduced by one (1%) if the employee receives an annual evaluation score of 1(Unsatisfactory) in the Overall score on the evaluation.
2. The employee’s ABS will be reduced by one-half percent (0.5%) if the employee receives an annual evaluation score of 2(Needs Improvement) in the Overall score on the evaluation.
3. Any downward adjustment to the employee’s ABS, as provided for in subparagraphs (1) and (2) above will not reduce the ABS to an amount where the total compensation for that negotiations unit member is below the CABS or below the 25th percentile of salary for the negotiations unit member’s rank and specialty as determined by the most appropriate benchmark to be used for benchmarking the faculty member’s salary determined by the University (e.g., the AAMC Public Benchmark) applicable to that employee whichever is higher.
4. Downward adjustments will be implemented on **December 31, 2021 or when the Appeals Panel decides an appeal of an overall unsatisfactory or needs improvement evaluation rating downward adjustment, whichever is later June 30, 2022.**

5. The aggregate amount of reductions for all negotiations unit members in a particular school or unit pool, pursuant to this section, shall be added to the merit salary pool for that member's school or unit for the next Fiscal Year. (See Section II.B.2 Salary Pool). Upon request, the University shall provide the AAUP-BHSNJ information concerning the reallocation.

3. Salary Placement of Faculty Members

1. For negotiations unit members hired after the effective date of this Agreement, the negotiations unit member's ABS will be set at least at the CABS for the appropriate rank and title.

- The negotiations unit member also will be provided a Supplement in addition to the ABS which will be set at a level that, combined with the ABS, will set the negotiations unit member's salary at least at the 25th percentile of salary for the negotiations unit member's rank and specialty as determined by the most appropriate benchmark to be used for benchmarking the faculty member's salary determined by the University (e.g., the AAMC Publics Benchmark, the Summary Statistics on Medical School Faculty Compensation for Public Schools PhD or Other Doctoral Degree, Basic Science Departments/Specialties or the Summary Statistics on Medical School Faculty Compensation for Public Schools PhD or Other Doctoral Degree, Clinical Science Departments/Specialties).⁴
- The establishment of salary will be pro-rated based on total FTE.

⁴ No Supplement will be provided in this instance if the faculty member's ABS is at or above the 25th percentile of salary for the negotiations unit member's rank and specialty as determined by this section.

- The University will use the benchmark standard in effect at the start of the Fiscal Year in which the salary is being determined.
 - The parties recognize that the initial determination of the appropriate specialty to use from the appropriate benchmark for a new member of the negotiations unit is not subject to appeal or the contractual grievance/arbitration process.
2. For negotiations unit members employed prior to the effective date of this Agreement, who remain employed as of July 1, 2020, the following will occur:
- First, the negotiations unit member will be eligible for the increase provided for in ___ (the FY19 and FY 20 increases);
 - Second, also effective July 1, 2020, the negotiations unit member's total compensation (which includes all forms of compensation, including, but not limited to, ABS, Supplement, UPA variable pay, and/or FVS (as defined below) but which shall not include CIP or Extramural Research Incentive payments) will be adjusted upward if needed to equal the 25th percentile of the benchmark utilized by the University for benchmarking that negotiations unit member's compensation (e.g., the AAMC Publics Benchmark, the Summary Statistics on Medical School Faculty Compensation for Public Schools PhD or Other Doctoral Degree, Basic Science Departments/Specialties or the Summary Statistics on Medical School Faculty Compensation for Public Schools PhD or Other Doctoral Degree, Clinical Science Departments/Specialties), adjusted for the faculty member's appropriate specialty and rank (if

not already at that percentile; if already at or above that percentile, this subparagraph shall not apply).

- The establishment of salary will be pro-rated based on total FTE.
- The University will use the benchmark standard in effect at the start of the Fiscal Year in which the salary is being determined.
- Any additional compensation necessary to move the faculty member to the 25th percentile of the most appropriate salary benchmark will be added, effective July 1, 2020, to the faculty member's Supplement (or that amount will be placed in a new Supplement if the faculty member does not already receive a Supplement.
- The determination of the appropriate benchmark shall be consistent with the process set forth in Section __ above, entitled "Review of Effort and Benchmark Standard."

III. Extramural Support Incentive Awards

For Fiscal Years 2019 and 2020 only, the process set forth in the Agreement per "Side Letter of Agreement – Committee Regarding AAUP-BHSNJ Extramural Support Incentive Awards" contained in the July 1, 2013 to June 30, 2018 collective negotiations agreement shall remain applicable.

The following shall be the Extramural Support Incentive Award language effective July 1, 2020.

- A. The Extramural Support Incentive Awards set forth below will apply to all faculty (except as noted below) and to new or existing research proposals for projects whose funding continues beyond Fiscal Year 2019.

- B. Awards in this category are in recognition of external research grants or other extramural research support acquired by faculty unit members (other than librarian unit members whose extramural support incentive awards are governed by Subsection 2 of this section). The revised extramural support incentive award will be applied as follows:
- C. Faculty on the Professional Practice track will not be eligible to participate in this Extramural Support Incentive Award program.
- D. The Extramural Support Incentive Award will apply to all awards and proposals, including non-competing continuations.
- E. Faculty required to support a percentage of their research FTE (rFTE) adjusted salaries using outside grant funds as a condition of their employment (e.g., coterminous faculty) will not be eligible for this incentive program.
- F. The rFTE adjusted salary will be calculated by multiplying the ABS plus Supplement (if any) or FVS (if any) (but not any FVRS, RETEFI, and/or CIP (if applicable) the employee may also receive in that same Fiscal Year) by the rFTE. Incentives are not included in this calculation.
- G. Faculty will receive an Extramural Support Incentive Award based on the percentage of their rFTE adjusted salary on awards, as defined in the following table:
- H.

Percentage of rFTE Adjusted Salary Supported on Awards	Percentage Returned to Faculty
1% to 10%	0%
11% to 20%	1%
21% to 30%	2%

31% to 40%	5%
41% to 50%	6%
51% to 60%	15%
61% to 70%	19%
71%-80%	22%
81%-90%	25%
91% and above	30%

- I. Where applicable, the extramural support incentive award will be adjusted for the NIH and New Jersey caps in effect at the time of the award. For example, if a faculty member is paid in excess of the NIH cap, spends 100% of their effort on research (rFTE) and has 60% effort and salary support of the NIH cap on an extramural award, 15.0% (calculated pursuant to Paragraph H above) of 60% of the NIH cap in effect at the time of the award will be returned to the faculty member in the form of an extramural support incentive award. Extramural support incentive awards shall not increase the academic base salaries of faculty unit members, nor shall they be used in calculating fringe benefits. This incentive is intended for research grants and contracts. Funding related to clinical and service contracts, unrelated to research, are excluded from this incentive. The faculty unit member shall receive the incentive for each year that the extramural support continues, and payment of the incentive will be made no later than September 30 following the fiscal year of the extramural support.
- J. Funding related to clinical trials will be applicable to this incentive.
- K. Faculty will be able to discretionarily choose to receive the entirety of the Extramural Support Incentive Award in the form of compensation or apply the entirety of their Extramural Support Incentive Award toward support of programmatic activity.
- L. Librarian Unit Members

A librarian unit member who is both a principal investigator and the principal author of an externally-funded program which provides support for

his/her own salary shall be eligible for a one-time bonus of up to one-third of such salary support in a specific fiscal year up to a maximum bonus of \$10,000 for that fiscal year. The bonus shall be awarded in each fiscal year during which salary support is provided by external funding.

M. Research Incentive Program for Large Programs, Training and Specialized External Grants:

1. Effective July 1, 2020, negotiations unit members otherwise eligible for the Extramural Research Incentive program shall be eligible for an incentive for obtaining certain types of research, education/training, equipment, and facilities grants (the incentive program hereinafter shall be referred to as "RETEFI") for the University. This program is meant to encourage faculty to develop externally funded programs that support establishing large research teams that benefit many faculty and students, and bring to RBHS support to recruit, train and promote the careers of learners.
2. The RETEFI applies only to the Principal Investigators of the qualifying grants. If the grant application includes more than one PI (e.g., (multi) MPI), then the MPIs split the RETEFI equally. The RETEFI will reward funded applications (awards) with a lump sum payment, made at the same time payment is made for the Extramural Support Incentive Award, above. The lump sum payment will be made upon the initiation and completion of proper documentation by the PI providing evidence and receipt of the award for the grant application.
3. Types of Grants that Qualify for the RETEFI⁵
 - Multi-project research grants such as NIH U and P mechanisms, but may include other federal and nonfederal grants that have 2 years or more of annual directs and one-time associated lump sums listed below:

⁵ The RBHS Senior Vice Chancellor for Academic Affairs and Research, or designee, shall have be the sole authority for determining whether a particular grant qualifies for a RETEF Incentive.

\$10,000 one-time lump sum payment upon funding of grants with annual directs of \$500,000 up to \$750,000

\$12,000 one-time lump sum payment upon funding of grants with annual directs of greater than \$750,000 up to \$1 million

\$15,000 one-time lump sum payment upon funding of grants with annual directs of greater than \$1 million up to \$2 million

\$25,000 one-time lump sum payment upon funding of grants with annual directs of greater than \$2 million up to \$4 million

\$35,000 one-time lump sum payment upon funding of grants with annual directs of greater than \$4 million up to \$8 million

\$50,000 one-time lump sum payment upon funding of grants with annual directs of greater than \$8 million

- Training and educational grants that are 2 years or more in the annual costs listed below (one-time payments):

\$10,000 one-time lump sum payment upon funding of NIH T32 or K12 grants

\$10,000 one-time lump sum payment upon funding of educational/training grants (federal or nonfederal), other than T32 or K12, that provide \$250,000 or more in annual directs

\$10,000 one-time lump sum payment in addition to one of the above two scenarios (for these training and educational grants) if the funded educational/training (federal or nonfederal) grant is \$500,000 or more in annual directs

- Equipment grants, including but not restricted to NIH S10 grants (one-time payments; equipment needs to be available to at least 5 additional faculty, other than the PI):

\$10,000 lump sum payment if the funded grant is \$500,000 or more in directs

- Facilities grants, including but not restricted to NIH G grants
\$10,000 lump sum payment if the funded grant is \$1,000,000 or more in directs
- RETEFI payments will not be counted as earnings for the purposes of calculating retirement plan benefit contributions.

N. Fully Variable Research Payment (“FVRS”) – Beginning in Fiscal Year 2021, immediately following the calculation of the Extramural Support Incentive Award for the prior Fiscal Year, a PI or MPI (“PI”) on a RO1 or equivalent grant may be eligible for a lump sum FVRS.

- a. If the PI’s ABS plus Supplement (if any) plus FVS (if any) falls below the corresponding 40th percentile of compensation, adjusted for rFTE (see subsections b., c., and d. below) and rank and specialty, as measured by the Summary Statistics on Medical School Faculty Compensation for Public Schools PhD or Other Doctoral Degree, Basic Science Departments/Specialties or Summary Statistics on Medical School Faculty Compensation for Public Schools PhD or Other Doctoral Degree, Clinical Science Departments/Specialties), the PI will be paid a one-time lump sum payment equal to the difference between their ABS plus FVS and the 40th percentile of compensation, adjusted for rFTE (and FTE if necessary), as measured by the appropriate benchmark and the total of the PI’s ABS plus Supplement (if any) plus FVS (if any), also adjusted for rFTE (and FTE if necessary). The determination of the appropriate benchmark shall be consistent with the process set forth in Section __ above, entitled “Review of Effort and Benchmark Standard.”
- b. If an individual’s FTE and/or rFTE is less than 1.0, the benchmark compensation and the negotiations unit member’s compensation must be adjusted for FTE and/or rFTE.

- c. First, adjust the negotiations unit member's current total compensation for rFTE. Example, a 1.0 FTE, has a 0.8 rFTE and ABS, Supplement and FVS (if any) total \$180,000. $0.8 * \$180,000 = \$144,000$.
- d. Second, the benchmark compensation, adjusted for rank and specialty, for that negotiations unit member at the 40th percentile is \$200,000. Adjusting that figure for a 1.0 FTE with a 0.8 rFTE would equal \$160,000. Note: Similar calculations would be performed if the employee is less than 1.0 FTE. For example, if the employee is 0.8 FTE with a 0.6 rFTE, total compensation calculated above and the appropriate benchmark compensation would be adjusted by multiplying the FTE times the rFTE times each compensation figure. In this example: $(0.8 * 0.6 * \$200,000) - (0.8 * 0.6 * \$180,000)$.
- e. The difference between the adjusted benchmark compensation and the adjusted total compensation is the FVRS ($\$160,000 - \$144,000 = \$16,000$). The PI will be eligible for this one-time, lump sum FVRS payment for each year of the RO1 (subject to the re-calculation of the actual FVRS each year to account for other changes to the negotiations unit member's rFTE, total compensation, and/or benchmark compensation). The PI will first be eligible for a FVRS in the Fiscal Year in which the Notice of Award is received.
- f. The FVRS will not be counted as earnings for the purposes calculating of retirement plan benefit contributions.

IV. Out-of-Cycle Increments

The following Out-of-Cycle process shall apply through June 30, **2021** :

- A. These awards are for the purpose of granting salary increments to those unit members whose compensation should be increased to reflect their accomplishments and productivity.

- B. Out-of-cycle increments may be in any amount.
- C. The Dean or University Librarian shall submit each nomination to the Senior Vice President for Academic Affairs with a curriculum vitae and letter of recommendation.
- D. There shall be an alternative procedure for out-of-cycle increases. At any regularly-scheduled meeting of the departmental faculty, librarians or the School of Nursing faculty, the matter may be added to the agenda by the usual process. Nominations for out-of-cycle increases may be made by a majority vote of the members of the department, librarians or the School of Nursing faculty present at the meeting. Voting shall be by closed ballot. All nominations will be forwarded to the Dean of the School or the University Librarian, who will forward the nomination to the Senior Vice President for Academic Affairs with or without a supporting recommendation. Each nomination must be accompanied by a curriculum vitae and a letter of evaluation in support of the nomination. If the department Chair chooses not to endorse a nomination effectuated via this process, a letter of support written by another faculty member in the department must be provided.
- E. Out-of-cycle increments shall be determined by the Senior Vice President for Academic Affairs upon recommendation by the pertinent Dean or the University Librarian. The decisions of the Senior Vice President for Academic Affairs as to awarding or not awarding an out-of-cycle increase and the amount of such increase shall be final and non-grievable. The Senior Vice President for Academic Affairs shall notify the AAUP of all out-of-cycle increments by providing the AAUP a copy of the pertinent documents.

The following process shall apply for Out-of-Cycle Increases **Effective July 1, 2021:**

- A. The University may, at its discretion, increase the salary of a member or members of the negotiations unit, as a one time payment⁶ for only that year or as

⁶ **The one time payment option shall sunset on July 31, 2022.**

an increase to ABS or Supplement or FVS (not applicable to the FVS referred to in Section VI below), to provide immediate recognition for an unusual professional achievement, accomplishments and/or productivity. The Dean or University Librarian shall submit each nomination to the Senior Vice President for Academic Affairs, or designee, with a curriculum vitae and letter of recommendation. The decisions of the Senior Vice President for Academic Affairs, or designee, as to awarding or not awarding an out-of-cycle increase and the amount of such increase shall be final and non-grievable.

B. The University may increase the salary of a member or members of the negotiations unit in order to make equity adjustments based on factors such as external market salary benchmarks within relevant markets, the faculty member's individual benchmarking information, including, but not limited to, teaching, service and research achievements, and other relevant accomplishments, compared to relevant peers and with the recognition that Rutgers prohibits discrimination based on any legally protected classifications, including, but not limited to, gender and race.

1. A faculty member requesting an equity adjustment shall submit a written request on a form developed by University Human Resources with supporting documentation to the faculty member's Dean and to Compensation Services.
2. The Dean (or designee) shall submit to Compensation Services and to the faculty member written comments in response to the request of an equity adjustment.
3. Compensation Services shall review the faculty member's request for an equity adjustment and supporting documentation, the Dean's (or designee's) written comments, and shall collect and review any other information it deems relevant to its inquiry.
4. Within one hundred twenty (120) working days from the submission of a request for an equity adjustment by a faculty member, Compensation Services shall communicate the results of its review and the basis for the results in writing to the faculty member and the RBHS Chancellor. If for any reason the review cannot be completed within this timeframe, Compensation

Services shall notify the faculty member. If Compensation Services recommends an equity adjustment, it shall recommend the amount of the compensation increase.

5. The faculty member may submit a written response regarding the results provided by Compensation Services to the RBHS Chancellor.
6. In all instances, the amount of an increase, if any, will be determined by the RBHS Chancellor, or designee, in consultation with the Dean and Compensation Services, and the resulting salary must be consistent with the factors set forth in B. above. The Chancellor, or designee, shall be responsible for approving such increase, if any, and for communicating such decision to the negotiations unit member.
7. The faculty member may appeal a decision of the RBHS Chancellor, or designee, to the Executive Vice President for Academic Affairs. The decision of the Executive Vice President for Academic Affairs shall be provided to the faculty member and the AAUP-BHSNJ. The decision of the Executive Vice President for Academic Affairs shall not be grievable. However, this shall not preclude a faculty member from filing an Article --- grievance based on an alleged violation of Article --- of this Agreement following the final decision of the EVPAA. The time for filing such a grievance under Article --- shall begin to run upon receipt of the decision of the Senior Vice President for Academic Affairs.
8. The faculty member may be accompanied by an AAUP-BHSNJ representative for purposes of any meetings with Compensation Services for purposes of this Part ---, section B. equity review process.
9. The University commits to funding equity increases approved by the RBHS Chancellor, or, if applicable, the Executive Vice President for Academic Affairs.

C. When the University has determined to make an out-of-cycle salary increase, it shall inform the AAUP-BHSNJ in writing of the name, rank, and current and adjusted salaries of each individual for whom an increase is to be made.

D. Out-of-Cycle increases are in addition to, and not inclusive of, other salary increases provided for in other Parts of this Article.

E. Out-of-cycle increments may be in any amount.

V. Other Salary Adjustments

a. Promotions

When an individual faculty unit member is promoted from one rank to another, the individual's ABS shall be adjusted to the CABS of the promotional rank or 10% above the individual's current ABS, whichever is greater.

b. Salary Matching

The University may, at its discretion, increase the salary of an individual member of the negotiations unit in response to a bona fide outside offer of employment. The University shall submit its determination to offer such an increase in writing to the Association with a copy of the outside offer, a copy of the faculty unit member's curriculum vitae, and the current and proposed salary.

c. Compensation for Additional Services

The University may pay additional compensation to individual members of the negotiations unit for bona fide services which are substantially over and above those normally assigned to individual members of the negotiations unit. It is not intended that such additional compensation be: (1) a substitute for negotiated across the board increases or merit increases; (2) funded with monies budgeted by the University for across the board increases or merit increases; (3) paid for meritorious services or to match outside salary offers. This provision shall not apply to the faculty practice or patient care component of salary or to responsibilities attributable to faculty practice or patient care activities of negotiations unit members.

In order for the University to pay additional compensation to members of the negotiations unit pursuant to this provision, the departmental Chairperson, the library director, or the assistant or associate dean shall make a proposal to the Dean

of the school or the University Librarian. The proposal shall include the following information:

1. The justification for additional compensation, demonstrating that it is being paid for bona fide additional services which are substantially over and above those normally assigned to individual members of the negotiations unit;
2. The amount of the additional compensation and the time for which the compensation is proposed. If the additional compensation is for continuing responsibilities, the Dean must consider a proposal for additional compensation for each academic year in which it will be paid; and
3. The source of funds.

If the Dean approves the proposal to pay additional compensation pursuant to this provision, he/she shall forward the proposal to the Executive Vice President for Academic Affairs with any additional information that the Dean feels is appropriate. The Executive Vice President shall review the proposal and approve or disapprove it. If the proposal is approved, the Executive Vice President shall forward it to the Association along with notice that it has been approved. If the Executive Vice President has reasons for approval of the proposal in addition to those contained in the original proposal or substitutes his/her own reasons, the Executive Vice President shall make such additional or substituted reasons known to the Association in writing.

The decision of a Chair, library director, or assistant or associate dean not to propose a member of the negotiations unit for additional compensation pursuant to this paragraph or of the Dean or Executive Vice President for Academic Affairs to deny a request for such additional compensation shall be final and shall not be grievable under this Agreement. The decision of the Executive Vice President for Academic Affairs to approve a proposal to pay additional compensation pursuant to this provision may be grieved only by the Association, not by individual members of the bargaining unit.

d. Determination of Salaries for Administrators Who Return to the Faculty

When an administrator returns to the faculty and becomes a unit member, the unit member's salary shall be based upon the following criteria: quality of administrative performance; length of service (including length of service at the University); consideration of the increase or diminution of responsibilities that will result from the transfer; and any other special circumstances. Such determination may be grieved as a category 2 grievance under Article __.

In instances where a faculty member received a pre-determined amount for assuming the duties of an administrator, upon return to the faculty, the faculty member shall relinquish an amount which is equivalent to all or part of that pre-determined amount upon his/her return to the faculty. The provisions of the above paragraph shall not apply.

VI. Fully Variable Supplement – NJMS negotiations unit members participating in University Physician Associates of New Jersey, Inc.

A. Pursuant to the agreement between the University and University Physician Associates of New Jersey, Inc. ("UPA"), the variable pay arrangement for NJMS Clinical faculty members will cease to exist upon ratification of this agreement by AAUP-BHSNJ, with effective date of July 1, 2020. Any variable payments for date of service after ~~made~~ after June 30, 2020 are subject to adjustment consistent with the terms of this Section VI.

B. Accordingly, "tail payments" as previously provided for under the UPA agreement will no longer apply to collections related to date of service after June 30, 2020. Beginning July 1, 2020, a faculty member will be entitled to variable pay (as described in subparagraphs C through J below for collections received on or after July 1, 2020) received in the two months following the last day of the faculty member's employment, which is associated with collections received in the faculty member's last two months of employment. For example, if a faculty member terminates employment with the University on July 31 of any year, the faculty member will be entitled to the variable pay for the month of August (for collections received in June) and September (for collections received in July) in

that same year. In order to receive this payment, the faculty member must give at least three months notice prior to the last date of employment with the University.

C. Upon ratification of this Agreement, each NJMS Clinical faculty member shall be paid a FVS that is calculated based on the net collections⁷ directly resulting from the personal delivery of clinical services by that faculty member, including the department's shared collections, based on the personal delivery of clinical services by clinical faculty in the department. Any sharing of collections in effect by departments, divisions or groups on May 1, 2020 will continue utilizing the same percentages for distribution in effect on May 1, 2020. The distribution of these shared collections shall be subject to the deductions in paragraph D below and based on department formulas in effect on May 1, 2020. The elimination, change or creation of new sharing arrangements must be presented by the faculty or Chair to the Dean for approval; implementation will not occur unless approved by the Dean and after a 60% majority vote of eligible faculty in a pool.⁸

D. Notwithstanding any other provision of this Section VI, the following deductions shall be paid out of net collections:

1. 10% deduction to support the NJMS Dean's Fund unless the 3% additional Dean's taxes are already taken out in voluntary contributions (in which case it will not be double counted),
2. 7% deduction to support the NJMS Department through which the services were provided by that faculty member,
3. 3% deduction for professional liability coverage for the NJMS clinical faculty,

⁷ "Net collections" is defined as the gross amount of clinical revenues collected, adjusted for refunds, reversals, recoupments and other payer adjustments.

⁸ An "eligible clinical faculty member" is a negotiations unit member or a faculty member who is not in the negotiations unit with a 50% or more FTE (in the department in question) clinical faculty member who has rendered patient care services and has billed a minimum of \$50,000 in charges or has collected more than \$10,000 for patient services during the immediately prior fiscal year.

4. 6.5% deduction⁹ to support NJMS collections, revenue cycle, and administrative functions (adjusted to reflect actual charges) (currently provided by Barnabas Health, Inc. d/b/a RWJBH Corporate Services, Inc. pursuant to a Practice Services Agreement effective July 1, 2020), and
5. 8.5% deduction (adjusted to reflect actual charges) to reflect billing services provided to the University or its designated vendor (currently provided by Change Health).

E. In addition to the above deductions, there may be an additional deduction from collections to support departmental activities. This is the voluntary departmental tax that is over and above the 7% in Section VI. C. above. The amount of the deduction shall be equal to the deduction in effect on May 1, 2020, using the same methodology as applied to an individual faculty member and as determined by their department. This additional deduction is also subject to change, as determined by a 60% majority vote of eligible faculty in the pool or department, subject to approval by the Dean.

F. In addition to, and consistent with, D and E above, existing voluntary divisional, group, inter-departmental program, practice, and other taxes, will continue to be withdrawn from collections in the same manner as of May 1, 2020. The same methodology will be applied. For example, if this tax was applied to gross or net collections, the same methodology will be followed. If the “tax” was a dollar amount or a percentage, the same methodology will be followed. The funds from these taxes can continue to be used, for example, to fund CME related activities, hospital dues, licensure, practice expenses and academic expenses. These additional deductions are subject to change, as determined by 60% majority vote of eligible clinical faculty in the practice or department, subject to approval by the Dean.

G. Changes to taxes in E and F will be initiated by the faculty and presented to the Dean for approval. Upon approval by the Dean, these taxes will be implemented.

⁹ Collections related to NBI will be included for this purpose. That is, the collections will be taxed with the same tax and associated expenses described in D(4), and is not intended to include any other practice costs not described in paragraph (D)(4). **For clarity, expenses incurred on behalf of NBI will not be incurred by NJMS faculty.**

- H. The FVS is in addition to any fixed clinical component a faculty member may have. Any faculty member who has a fixed clinical component on May 1, 2020 shall be entitled to retain such component consistent with the terms applicable to that clinical component.
- I. If an offer letter provides a guarantee to a faculty member, the net collections of the faculty member shall first be applied to pay the guarantee. Any excess net collections shall be paid to the faculty member as part of the FVS.
- J. NJMS Clinical faculty hired on July 1, 2020, or after shall receive a FVS as specified above. The taxes in C, D, E, and F will apply based upon the tax rates in effect for the department or division at the time of the new faculty member's start date. The University shall continue to use clinical guarantees for newly-hired faculty.
- K. All other compensation a faculty member receives – compensation in addition to the taxed “net collections” above – including but not limited to, compensation for contract clinical work, on-call, and stipends, shall be taxed at the same tax rate and in the same manner as it was on May 1, 2020, and part of the FVS. These additional deductions are subject to change, as determined by 60% majority vote of eligible clinical faculty in the practice or department, subject to approval by the Dean.
- L. NJMS Clinical faculty shall continue to have the same access to financial practice and related information they had access to on May 1, 2020, including, but not limited to, information related to (1) their wRVUs, (2) their collections, (3) the collections of the practice/department, and (4) department/practice budgets.

VII. Other than those covered by Section VI of this Article, two-thirds of Voting Faculty (negotiations unit members) in any RBHS–department or division may establish or abolish a “voluntary tax” for the purposes of funding professional development. Any voluntary tax established pursuant to this

paragraph must be consistent with Internal Revenue Code and approved by the Dean and Chancellor. Such funds from these taxes can be used to fund CME related activities, hospital dues, licensure, practice expenses and academic expenses provided that such expenditures are consistent with University and departmental policy. Such accounts shall be in addition to, not in place of, any benefit already provided by the department. The MOA entered into between the University and AAUP-BHSNJ regarding the RWJMS Department of Medicine and dated _____ shall remain in effect.

VIII. FVS for appointments for Clinical faculty not participating in UPA.

- A. Effective July 1, 2020, at the time of appointment of Clinical faculty (as defined below in Section I.b. of the Clinical Incentive Program) not covered by Section VI of this Article, the University shall have the discretion to include a FVS in the terms of appointment, in addition to the ABS and the Supplement.
- B. The FVS will be utilized in order to manage the risk of unknown actual productivity at Rutgers.
- C. For Clinical faculty (meaning those faculty whose salary is determined based on a clinical benchmark such as the AAMC Public benchmark) hired following the effective date of this Agreement - A FVS will be determined by the Chair (and approved by the Chancellor) at a level that, combined with the Clinical faculty member's ABS and Supplement, would bring the Clinical faculty member's compensation ABS plus Supplement plus FVS to a level above the 25th percentile of compensation but no less than the 40th percentile of compensation as measured by the AAMC Public benchmark for that rank and specialty. The FVS, as described in Paragraph E below takes into account the employee's FTE and cFTE. The negotiations unit member will receive the FVS for the first two years of employment regardless of the level of productivity. If, after the first two years of employment, the employee's productivity falls below the percentage level of productivity at which the FVS is determined, that FVS will reduced to the percentage of productivity actually achieved by the negotiations unit member.

- D. For current employees as of the effective date of this Agreement: the FVS will be utilized for Clinical faculty (meaning those faculty whose salary is benchmarked against the AAMC Public Benchmark) whose productivity is at or above the 40th percentile of productivity, but whose ABS plus Supplement combined is below the 40th percentile of compensation as measured by the AAMC Public Benchmark for that Clinical Faculty member's rank and specialty. In such instances, the FVS will be set at an amount that would raise the Clinical Faculty member's compensation (ABS plus supplement plus FVS) to at least the 40th percentile of compensation as measured by the AAMC Public benchmark for that Clinical Faculty member's rank and specialty. The FVS, as described in Paragraph E below takes into account the employee's FTE and cFTE. This FVS will be paid in the first year regardless of the actual level of productivity. If, after the first year, the employee's productivity falls below the percentage level of productivity at which the FVS is determined, that FVS will be reduced to the percentage of productivity actually achieved by the negotiations unit member. The determination of the appropriate benchmark shall be consistent with the process set forth in Section __ above, entitled "Review of Effort and Benchmark Standard."
- E. Calculating the FVS – Assume an employee is a 1.0 FTE with a 0.8 cFTE. The employee's ABS plus Supplement equals \$200,000. The AAMC Public benchmark salary for that employee's rank and specialty at the 40th percentile of productivity is \$220,000. The FVS equals the difference between the relevant benchmark compensation and the total compensation, both adjusted for FTE and cFTE. Example –
 $(0.8 * \$220,000) - (0.8 * \$200,000) = \$16,000$. Note if the employee is less than 1.0 FTE, such as 0.8 FTE with a 0.6 cFTE, the calculation would be:
 $(0.8 * 0.6 * \$220,000) - (0.8 - 0.6 * \$200,000) = \$9,600$.
- F. The FVS will be paid on a monthly basis.
- G. The FVS will not be counted as earnings for the purposes of calculating retirement plan benefit contributions.
- H. Further, the actual amount of the FVS must be recalculated each Fiscal Year to take into account adjustments, if any, to the negotiations unit

member's ABS, Supplement, or related benchmark compensation, adjusted for FTE and cFTE. The Clinical faculty member remains eligible to participate in the Clinical Incentive Program as set forth in Section __ below.

IX. CLINICAL INCENTIVE PROGRAM

The April 2017 Memorandum of Agreement between Rutgers, The State University of New Jersey and the AAUP-BHSNJ regarding Rutgers Health Group Clinical Incentive Program ("MOA") remains in full force and effect pursuant to the terms of that MOA through December 31, 2019 (and the payment of the incentive earned based on Fiscal Year 2019 performance as discussed in that MOA). The Clinical Incentive Program ("CIP") beginning with Fiscal Year-2021 provides incentive compensation for Clinical Faculty, as defined below. There shall not be a CIP in Fiscal Year 2020. The CIP shall be in effect for Fiscal Years 2021 **and** 2022 and shall sunset at the end of Fiscal Year **2022**.

I. Eligibility

- a. The CIP provides incentive compensation to clinical faculty (as defined below) on an annual, Fiscal Year basis for clinical productivity ("Productivity Incentive") and performance on value based clinical metrics ("Value Incentive").
- b. "Clinical faculty" include all clinical faculty in the collective negotiations unit¹⁰ at New Jersey Medical School and Robert Wood Johnson Medical School (including those at the Cancer Institute of New Jersey and University Behavioral Health Care) who have 1) a productivity-based Clinical Full Time Equivalent ("cFTE"), as defined below, of 0.2 or greater during the Fiscal Year in which performance is being measured; and 2) achieved a rating of at least Meets Expectations/Satisfactory in the Professionalism and Clinical sections of the annual performance evaluation, and an overall rating of at least Meets Expectations/Satisfactory on the annual performance evaluation for the Fiscal Year in which performance is being

¹⁰ Beginning with Fiscal Year 2021, tenured and tenure track faculty, who previously received a Productivity and/or Value Incentive payment under the Clinical Incentive Plan effective in Fiscal Year 2017-2019 shall continue to be eligible to participate in both the Extramural Incentive Program and the Clinical Incentive Program.

measured. To be eligible for incentive compensation under the terms of this section of this Article, the clinical faculty member must remain employed through the date of payment of the incentive.

- i. “Contract clinical” work is defined as effort provided and compensated through external health system contracts for professional services. Although this faculty effort is clinical in nature, Rutgers does not bill and collect from third party payors for these professional services (e.g., faculty time purchased from affiliates at an hourly or other rates), and individual faculty are not credited with collections and units of productivity (e.g., WRVUs, ASAs). For those clinical faculty engaged in contract clinical work and work that is credited with units of productivity, those clinical faculty shall have their total cFTE broken into two categories: 1) contract clinical cFTE; and 2) productivity-based cFTE. In order to be eligible for the CIP, productivity-based cFTE must be 0.2 or greater.
- ii. For purposes of calculating the standardized WRVU (section II(b), Adjusted Total Regular Compensation (section II(d)(i)(2)) and benchmark compensation (section II(d)(ii)), a faculty member’s productivity-based cFTE will be used.

At the beginning of each Fiscal Year, but no later than _____, commencing with the beginning of Fiscal Year 2021, the Chancellor, or his/her designee, will announce the pool of funds that will be available for qualification for the incentive program (“Incentive Pool”). The minimum of the Incentive Pool each year of the Agreement will be \$3,500,000.00. The Chancellor, or his/her designee, also will announce what portion of the Incentive Pool that will be allocated to the Productivity Incentive and what portion of the Incentive Pool will be allocated to the Value Incentive. The Productivity Incentives and Value Incentives calculated for each Fiscal Year, commencing with Fiscal Year 2021, shall be paid out no later than December 31 following the close of the Fiscal Year. By way of example, the Productivity Incentives and Value Incentives for Fiscal Year 2021 shall be paid out no later than December 31, 2021. Payments made under the CIP will not be counted as earnings for the purposes of calculating retirement plan benefit contributions.

II. Productivity Incentive

- a. The Productivity Incentive is based on a clinical faculty member's WRVUs, (or ASA units for anesthesia) benchmarked against specific standards for: 1) WRVUs, and 2) compensation.
- b. WRVUs, or ASA units where applicable, will be calculated using a uniform calculation methodology for all faculty.
 - i. The WRVUs and ASA units used in the calculations will reflect billable clinical activity personally performed by the faculty member.
 1. Supervised activity of advanced practice providers or residents/fellows that is billed by the faculty member will not be included.
 2. The only exception will be faculty who currently are billing under a "Primary Care Exception." A "Primary Care Exception" is an exception within an approved GME Program that applies to limited situations when the resident is the primary caregiver and the faculty physician see the patient only in a consultative role (that is, those residency programs with requirements that are incompatible with a physical presence requirement).
 - ii. WRVUs will be calculated using the CMS Physician Fee Schedule using volume by CPT code with the application of standard adjustments for modifiers.
 - iii. Modifier adjustment rates will be applied to faculty WRVUs for consistency with the MGMA academic productivity benchmarks. The adjustment rates used in the CIP are informed by a compilation of industry benchmarking survey guidance, CMS modifier guidelines, and commercial payor guidelines and are generally consistent with those used by CMS and industry benchmarks.
 - iv. ASA units will be self-reported by the schools/units.
- c. Step One – Productivity Analysis
 - i. At the end of a Fiscal Year, but no later than September 1 of the following Fiscal Year, the clinical faculty member's actual

WRVUs for the preceding Fiscal Year will be confirmed. For those clinical faculty with a productivity-based cFTE less than 1.0, a calculation will be made to standardize the WRVUs based on a cFTE of 1.0.

1. That standardization is calculated by dividing actual WRVUs by the clinical faculty member's productivity-based cFTE. For those clinical faculty whose clinical effort involves both excluded contract clinical cFTE and productivity-based cFTE, for purposes of these calculations, cFTE shall be reduced to include only that portion of total cFTE which is productivity-based.
 2. For example, a 0.8 productivity-based cFTE with 4,000 actual WRVUs will have 5,000 standardized WRVUs for purpose of calculating a Productivity Incentive.
- ii. The University will then benchmark the level of standardized WRVUs against the national MGMA Academic Benchmark standards, adjusted for specialty, to determine the percentile in which the level of standardized WRVUs fall. The list attached hereto as Exhibit A sets forth the Faculty Specialty, corresponding specialty in MGMA Academic Benchmark (or alternative where no appropriate MGMA Academic Benchmark exists). The parties may, by mutual, written agreement, amend this attachment at any time. See II(f) below – Review of cFTE and Benchmark Standards. The University will use the MGMA Academic Benchmark Standard in effect at the start of the Fiscal Year for which productivity is being measured.
 - iii. A clinical faculty member shall not qualify for a Productivity Incentive if the level of standardized WRVUs is not greater than the 25th percentile of the MGMA Academic Benchmark for that specialty.

d. Step Two - Compensation Analysis

i. Total Clinical Compensation Analysis

The University will determine each clinical faculty member's Total Clinical Compensation ("TCC") for the Fiscal Year in which the performance is being measured. TCC is calculated as follows:

1. Academic base plus any Supplements, excluding FVS (and FVRS and RETEFI if applicable), which are paid to the clinical faculty member in equal installments, on a bi-

weekly basis, are added together to compute Total Regular Compensation (“TRC”).

2. The clinical faculty member’s productivity-based cFTE is divided by FTE and the resulting figure is multiplied by the clinical faculty member’s TRC. The resulting amount is the clinical faculty member’s “Adjusted TRC.”
3. The Adjusted TRC is then added to any clinical supplement or incentive payments (including FVS). This is the clinical faculty member’s TCC.
4. For example, if a clinical faculty member has an academic base salary of \$150,000 and a Supplement of \$50,000, his/her TRC would be \$200,000. If that clinical faculty member is 1.0 FTE, with a 0.8 productivity-based cFTE, the adjusted TRC would be \$160,000. If that same faculty member received \$20,000.00 in clinical incentives in that Fiscal Year, the TCC would be \$180,000.00.

ii. Benchmark Compensation Analysis

Then, based on the percentile where the clinical faculty member’s standardized WRVUs fall in the MGMA Academic Benchmark (see paragraph II(c)(ii) above), the University will determine the clinical faculty member’s benchmark compensation, adjusted for faculty rank and specialty, at that same percentile in the AAMC Public Benchmark (see paragraph II(c)(ii) above). The list attached hereto as Exhibit A sets forth the Faculty Specialty and corresponding AAMC Public Benchmark compensation specialty (or alternative where no AAMC Public Benchmark exists). The parties may, by mutual, written agreement, amend this attachment at any time. See Salary Adjustments, Section B.4 above – Review of Effort and Benchmark Standard. For purposes of this Productivity Incentive, each clinical faculty member’s benchmark compensation shall be capped at the 90th percentile in the AAMC Public Benchmark (see paragraph II(c)(ii) above).

1. If an individual clinical faculty member’s productivity-based cFTE is less than 1.0, the benchmark compensation must be adjusted for cFTE.

2. That figure is computed by multiplying productivity-based cFTE times the benchmark compensation in the AAMC Public Benchmark for the appropriate percentile (adjusted for faculty rank and specialty) (see paragraph II(c)(ii) above).
- e. Step Three – Determining the Amount of Productivity Incentive
- i. The faculty specialty and rank adjusted benchmark compensation, at the clinical faculty member’s percentile of productivity (adjusted for cFTE if necessary as described above) is compared to the clinical faculty member’s TCC. If the benchmark compensation is greater than the clinical faculty member’s TCC, that resulting figure will be the clinical faculty member’s Productivity Incentive Maximum Opportunity for the fiscal year (“PIMO”).¹¹ If the clinical faculty member’s TCC is greater than the benchmark compensation, the clinical faculty member shall not be eligible for a Productivity Incentive but may still be eligible for a Value Incentive as described below.
 - ii. Commencing in Fiscal Year 2021 and each year thereafter through Fiscal Year 2022), the actual Productivity Incentive paid to the clinical faculty member is computed by dividing the PIMO by the aggregate of the PIMOs for all eligible clinical faculty members and multiplying that resulting percentage times that portion of the Incentive Pool allocated for the Productivity Incentive.
 1. Example, the PIMO for a particular faculty member is \$20,000.00 and the aggregate of PIMOs for all eligible clinical faculty members is \$4,000,000.00.
 $(\$20,000/\$4,000,000.00) * \$2,250,000.00$ (portion of the three and one-half million dollar Incentive Pool allocated for Productivity Incentives) = \$11,250.00. That will be the final Productivity Incentive for that clinical faculty member for that Fiscal Year.

¹¹ The University shall not be required to pay out any remaining amounts in the Productivity Incentive pool if the PIMO has been paid fully to eligible clinical faculty members.

III. VALUE INCENTIVE

- a. The value incentive will be measured based upon clinical outcomes and clinical operational effectiveness and efficiency and other values as decided within each clinical department.
- b. Commencing with Fiscal Year 2021, and each year thereafter (through Fiscal Year 2022, as noted above, the Chancellor, or his/her designee, shall set that portion of the total Incentive Pool to be allocated to the Value Incentive Pool (“VIP”), but in no case shall the VIP be set lower than \$750,000.00. Each eligible clinical faculty member’s cFTE in an eligible department is totaled and divided by the total cFTE for all eligible clinical faculty in all eligible departments. The resulting percentage is then multiplied by the VIP to obtain the DVIP.
- c. The DVIP is then divided by the total number of eligible clinical faculty members’ cFTE for that particular department to obtain the total Value Incentive potential payout based on a 1.0 cFTE (“1.0 VPO”). To calculate the Maximum Potential Value (“MPV”) incentive available to a particular clinical faculty member the 1.0 VPO shall be multiplied by the eligible clinical faculty member’s cFTE.
- d. Each Department with eligible faculty (“Eligible Department”) shall establish a Metric Review Committee (“MRC”) comprised of at least three clinical faculty members, all of whom must be AAUP-BHSNJ members, selected by the Department Chair. The Chair shall provide written notice to the members of the Eligible Department and the AAUP-BHSNJ of the faculty members appointed to the MRC. The MRC shall include clinical faculty who represent procedural, nonprocedural, inpatient and outpatient faculty, to the extent possible.
- e. Metrics shall be established for faculty performance in Fiscal Years 2021 **and 2022**, as set forth below. By May 1 preceding the Fiscal Year in question, the Department Chair shall provide to the MRC proposed value metrics to be used to evaluate faculty performance for the Value Incentive payment. The departmental-specific value metrics tabulation shall include the percentage value allocated to each

metric (out of 100%) and the standard for measuring the amount of value incentive earned for each particular metric.¹²

- f. For Fiscal Years 2021 ~~and 2022~~, by June 1 preceding the Fiscal Year in question, the MRC shall provide comments, if any, to the Chair's proposed value metrics. If no comments are provided to the Chair by June 1, the Chair's proposed value metrics shall be implemented. For Fiscal Years 2021 ~~and 2022~~, by July 1 preceding the Fiscal Year in question, the Chair, after consulting with the MRC, shall notify the faculty in his/her department of the value metrics to be used to evaluate faculty performance in the Fiscal Year beginning that July 1.
- g. For Fiscal Years 2021 ~~and 2022~~ by July 1 preceding the Fiscal Year in question, if the Chair has not determined the value metrics to be used to evaluate faculty performance in an Eligible Department for the Fiscal Year starting July 1, the value metrics for that department shall be set by the MRC.
- h. Chairs may revise the value metrics after the stated metrics dissemination deadline, provided they obtain approval from their metric review committee and communicated the change to faculty.
- i. If a department includes a value metric for which there ends up being no performance data available at the close of the Fiscal Year, the Chair may eliminate that value metric from inclusion in the calculation of the value incentive for that department and the remaining value metrics shall be adjusted equally to reflect removal of the value metric.
- j. The MPV for each clinical faculty member will be applied to those metrics to determine the actual amount of value incentive to be paid to the clinical faculty member. Example – if three standard metrics are used in an Eligible Department; they each count 33%; and the MPV for the clinical faculty member is \$3,000, the maximum value incentive available to that clinical faculty member for each of the three metrics would be \$1,000.00. If a clinical faculty member achieves 80% of the potential value for each of the three metrics,

¹² ~~The University shall have discretion to modify the deadline in paragraph e. If the timeframe for the MRC to review the Chairs proposed value metrics is to be fewer than thirty (30) days, the University and AAUP, BHSNJ shall agree upon the adjusted timeframes in paragraphs f and g.~~

based on the uniform standards of achievement set for that Eligible Department, that clinical faculty member's value incentive would be \$2,400.

- k. If, after calculation of each clinical faculty member's value incentive, there are funds remaining in the VIP (due to the fact that eligible clinical faculty members did not reach his/her MPV), the Chair of each eligible department shall equitably distribute remaining funds only to eligible clinical faculty in that department. All funds in the VIP shall be paid to clinical faculty in the negotiations unit.

X. DENTAL INCENTIVE PROGRAM

For RSDM faculty, the following clinical incentive program shall be available:

1. Negotiations unit members shall be eligible to participate in the RSDM faculty practice incentive plan ("RSDM FPIP"). These faculty are not eligible to participate in the CIP discussed in Section ___ above.
2. Participation in the RSDM FPIP, the time period allowed for participation in the RSDM FPIP and the specific location services are provided are subject to the approval of the Department Chair and the RSDM Dean. Subject to that approval by the Department chair and RSDM dean, negotiations unit members who are eligible to engage in the RSDM FPIP shall have no prohibition on time engaged in faculty practice at the Rutgers' faculty practice locations (although generally it will be limited to 20% of the negotiations unit member's FTE) provided there is sufficient departmental faculty to cover teaching, and other departmental responsibilities and there is a need for such clinical coverage. The RSDM Dean, in her/his discretion, may remove any participant in the RSDM FPIP at any time and, upon removal, the faculty

member will not be entitled to any RSDM FPIP incentive payments.

3. RSDM FPIP incentive payments are paid at the rate of 50% (fifty percent) of collections less the costs of implant supplies (including, but not limited to, dental implants, bone, and tissue guided membranes), and laboratory costs and patient parking (in New Brunswick). RSDM FPIP incentive payments are paid at the rate of 25% (twenty-five percent) of collections for services performed by staff hygienists or assistants under the supervision of the participating RSDM faculty member. No RSDM FPIP incentive payment shall be paid for practice in the UH-Unit 1 and RSDM student and service clinics. In addition, non-OMFS faculty do not receive an incentive payment for practice in the Operating Room at Hospitals or Hospital On Call. Operating Room work at hospitals must be billed through RSDM/RHG (or other entity as required by RSDM) for all 1.0 FTEs (for those less than 1.0 FTE such work shall be billed through RSDM/RHG, (or other entity as required by RSDM) for all clinical work as part of the RSDM faculty member's employment with RSDM/RHG) and such work will be eligible for inclusion in this Dental Incentive Program.

4. This provision applies only to OMFS: Hospital On-Call – Calculated based upon clinical service agreements with hospitals.

5. Expert witness testimony and other expert consultation service provided to other governmental agencies or universities and billed through RSDM/RHG will result in 75% of such payment being paid to the faculty provider.

6. In consideration for allowing faculty members to participate in the RSDM FPIP, participants must execute a restrictive covenant that

will apply upon separation from the practice consistent with Memorandum of Agreement Concerning Restrictive Covenants.

7. RSDM faculty shall be permitted to engage in outside practice provided the RSDM Dean and the Chair consent and a) for 1.0 FTE, the faculty member and school enter into a professional services agreement which outlines that a 1.0 FTE faculty member may engage in such practice on weekends and holidays; or b) RSDM faculty less than 1.0 FTE on weekends, holidays, weekday evenings starting no less than 1 hour after the completion of their last clinical session scheduled and the RSDM faculty member does not leave before the later of the close of the clinical session or when the last patient and patient record is completed. No such faculty member may engage in this additional work when on call for RSDM. Further, such arrangement must be approved in advance by Rutgers University Ethics and Compliance.

XI. APPLICATION OF THE SUBJECT TO LANGUAGE IN THE PREFACE TO THIS ARTICLE

In the event the University intends to withhold any of the economic provisions of this Article by invoking the “subject to” language in the prefatory paragraph of this Article, it is agreed that the invocation of the “subject to” language will be based on a determination by the University that there exists a fiscal emergency¹³.¹⁴ If the University invokes the prefatory “subject to” language following the determination of a fiscal emergency, the University agrees as follows:

1. The University shall provide the AAUP-BHSNJ with written notice of at least twenty-one (21) calendar days. The Notice shall contain a detailed explanation for the determination by the University that a fiscal emergency exists and shall specify

¹³ *The determination of whether a fiscal emergency exists shall not be limited to whether there is a reduction in State appropriations/funding.*

¹⁴ In exchange for the deferred merit increases in section II B. 2, and the suspension of the CIP for Fiscal Year 2020 in section VIII. the University agrees not to invoke the subject to language and the provisions of this section XI with respect to the merit increases to be paid on July 31, 2021 and July 31, 2022.

the action the University intends to take to address the fiscal emergency at the conclusion of the twenty-one (21) calendar day notice period.

If due to a reduction in State funding/appropriations to the University for the next fiscal year, the University determines that a fiscal emergency exists and if based on the date the University learns of the reduction it is not possible to provide the full twenty-one (21) calendar days' notice, the University shall provide the maximum notice possible. If the University provides fewer than twenty-one days' notice, upon request of the AAUP-BHSNJ negotiations pursuant to paragraph 3 below shall commence within 72 hours; however, the University shall be permitted to delay the implementation of salary increases during the shortened period of negotiations.

2. Along with the Notice provided to the AAUP-BHSNJ pursuant to paragraph 1 above, the University shall provide the latest available statements/financial documents, as follows:

- The financial information upon which the University relies as the basis for its claim that a fiscal emergency exists;
- The audited financial statements for the prior fiscal year;
- Quarterly Statement of Net Position (Balance Sheet) for the current fiscal year;
- Current projection of the Income Statement for the Unrestricted Educational and General Operating Funds (Operating Budget) for the current fiscal year;
- Quarterly Statement of Cash Flows (Statement of Cash Flows);
- Unaudited End of Year financial statements for the statements listed above;
- University budget request submitted to the Department of Treasury for past, current and upcoming fiscal years; and
- The University's Unrestricted Operating Budget for the current fiscal year and budget for the upcoming fiscal year.

The AAUP-BHSNJ may request, in writing, additional financial information. Disputes over the provision of information shall be decided by the designated arbitrator on an expedited basis.

3. During the notice period, upon written request by the AAUP-BHSNJ, the University shall commence negotiations over measures to address the fiscal emergency. The University is not obligated to negotiate to impasse in order to withhold any of the economic provisions of this Article. At any point during the notice period the AAUP-BHSNJ may file a grievance pursuant to paragraph 5 below.

4. The AAUP-BHSNJ agrees that during the notice and negotiation period it will not initiate any legal action, in any forum, to challenge the University's intended action other than as specified in paragraph 3 above.

5. If the parties have not agreed upon measures to address the fiscal emergency, the AAUP-BHSNJ may file a grievance under Article V of the Agreement. The grievance shall proceed directly to arbitration under Article V.D.2. Such arbitration shall be concluded within ninety (90) days of implementation of the University's decision to withhold any of the economic provisions outlined above in this Article.

The arbitrator shall determine whether a fiscal emergency existed (exists) at the University based on the evidence presented. The arbitrator shall not have the authority to reallocate University funds.

The parties designate Arbitrator J.J. Pierson to hear disputes that arise under Section J of Article VIII. The parties designate Arbitrator Joseph Licata as an alternate to hear such disputes. If neither arbitrator is available to hear the dispute consistent with the provisions of Section J of this Article, the parties shall mutually agree upon another arbitrator.

4. The AAUP-BHSNJ agrees that during the notice and negotiation period it will not initiate any legal action, in any forum, to challenge the University's intended action other than as specified in paragraph 3 above.

5. If the parties have not agreed upon measures to address the fiscal emergency, the AAUP-BHSNJ may file a grievance under Article V of the Agreement. The grievance shall proceed directly to arbitration under Article V.D.2. Such arbitration shall be concluded within ninety (90) days of implementation of the University's decision to withhold any of the economic provisions outlined above in this Article.

The arbitrator shall determine whether a fiscal emergency existed (exists) at the University based on the evidence presented. The arbitrator shall not have the authority to reallocate University funds.

The parties designate Arbitrator J.J. Pierson to hear disputes that arise under Section J of Article VIII. The parties designate Arbitrator Joseph Licata as an alternate to hear such disputes. If neither arbitrator is available to hear the dispute consistent with the provisions of Section J of this Article, the parties shall mutually agree upon another arbitrator.



For the AAUP-BHSNJ

For the University

11/3/20

Date

Date