




PLANNING & BUDGET

August 13, 2018

To: Dylan Rodriguez, Chair
Riverside Division

From: Christian Shelton, Chair 
Committee on Planning and Budget

RE: [Campus Review] Campus Procedure(s): Proposed Changes to Implementation Procedures for the Health Sciences Compensation Plan

The Senate Committee on Planning & Budget (CPB) received the "Proposed Changes to the Implementation Procedures for the Health Sciences Compensation Plan" in mid-June and had an e-mail discussion of the proposed changes.

The proposed changes strip wording that allocates "Z" payments proportionally from funds that exceed expenses and instead replaces it with the requirement that individual units submit Implementation Plans (yearly) on how they will make "Z" payments to their physicians (page 14). Later (page 17), the document indicates that the "Z" compensation must be based on contributions to the school and performance measures. CPB assumes that the yearly Implementing Procedures are the documents which so specify the contributions and performance measures, although this is not clear. While CPB has no legal training, this appears to remove the problematic wording, with respect to the Halifax ruling. However, the unit-level Implementing Procedures must be properly vetted to make sure that the system as a whole does not run afoul of the Halifax ruling, or any other similar legal restriction. This could be more difficult, as the relevant documents are more distributed and may change from year-to-year.

The proposed changes also remove an exact amount necessary for the reserve, replacing previous "20%" with "an appropriate amount." As there has not been profits in excess of expenditures in previous years and as the School of Medicine's budget is in a state of change, due to their growth, without precedent CPB cannot comment on the budgetary effects of this change.