

LSU HEALTH SCIENCES CENTER – NEW ORLEANS RESEARCH INCENTIVE COMPENSATION PLAN
FY 2021-2022

The LSU Health Sciences Center Research Incentive Compensation Plan (hereinafter referred to as “Plan”) shall be used to determine eligibility and the amount of Research Incentive Compensation that an individual faculty member of the LSU Health Sciences Center in New Orleans may be provided for his/her participation in this Plan. Definitions set forth in the Plan are incorporated herein by reference.

Each eligible faculty member participating in this Plan agrees in writing as demonstrated by his or her signature on an Agreement Concerning Participation in the LSUHSC Research Incentive Compensation Plan (herein “Agreement”), which is designated as Attachment A, that he or she fully understands and accepts the terms and conditions of the Agreement and the Plan. Further, it is clearly understood that no one is authorized to alter any of the terms and conditions of any of these documents without the prior written approval of the Dean of the respective School and the Chancellor of LSUHSC-New Orleans.

In the event of a conflict between an Agreement and this Plan, the Plan shall control.

As a statement of principle, each faculty member must fully understand, agree, and accept the fact that if the requirements of this Plan are not fully and completely attained on an on-going basis, then the individual faculty member’s level of Research Incentive Compensation will be adjusted in a manner that is consistent with the provisions of the Plan.

1) Purpose of the Plan:

- a) To reward faculty who successfully compete for major research grants,
- b) To provide incentive for faculty to compete for and secure additional research grants,
- c) To raise the total level of institutional research funding, i.e., both direct and indirect costs (IC; also known as Facilities and Administrative Costs).

2) Eligibility to Participate in this Plan:

- a) Eligible faculty shall mean tenure track, research track and joint Veterans Administration faculty with their primary academic appointment in a basic science department or faculty with their primary academic appointment in a clinical science department without regard to appointment track whose appointment with the HSC is expressed as a 12-month appointment. Both full-time and part-time faculty are eligible to participate in this program. For purposes of this Plan, research and clinical associates will not be eligible. In order to qualify for Research Incentive Compensation the faculty member must have a portion of their Base Salary Level funded by Extramural Research Grant Funds.

The faculty participant and his/her Department Head must agree to a set of Duties and Responsibilities that the individual faculty member is currently performing. This set of existing Duties and Responsibilities must be specified in writing and set forth in any Agreement associated with the Plan. The Plan specifically requires that the existing set of Duties and Responsibilities continue to be performed in addition to the activities that constitute the basis for recognition and awarding of Research Incentive Compensation.

- b) Only Extramural Research Grant Funds, awarded to LSUHSC-New Orleans faculty that are associated with Facilities and Administrative (F&A)/Indirect Costs of 40% or higher will be eligible for consideration.

- 3) Restrictions on Participation:
- a) Research Incentive Compensation is subject to PM-3 limitations.
 - b) Released Funds (i.e. Salary Released Funds) and/or Departmental Indirect Cost Recovery Revenue (DICRR) will be determined as of the start of the fiscal year.
 - (i) If the faculty member's research is 100% funded by one academic department, center of excellence or other business unit, then the applicable business unit will process all RIC contracts for that faculty member;
 - (ii) If the faculty member's research is funded by more than one academic department, center of excellence or other business unit, the home department of that faculty member will process all contracts for that faculty member.
 - c) Notwithstanding anything else contained in this Plan, the maximum amount of Base Salary Level permitted for the computation of Research Incentive Compensation is that amount that is indexed to the base salary amount limitation specified within the NIH grant application process (currently this amount is \$203,700).
 - d) Resignation or termination of employment from the HSC (other than retirement) will automatically terminate any payments to the faculty member hereunder, and automatically and immediately terminate any obligation of the HSC to make any payments to the faculty member under this Plan.

4) Allocation of RIC based on whether a grant has single or multiple investigators

In the event an eligible grant designates one eligible faculty member as the grant's principal investigator then that individual shall be eligible for the entire amount of DICRR, which will be available for calculation of the indirect cost (IC) portion of the incentive. In the event that an eligible grant designates one or more eligible faculty as key personnel or co-investigator(s) then; (1) each of the key personnel or co-investigator(s) will be eligible for Research Incentive Compensation relative to their respective Released Funds, and (2) the DICRR used for calculation of the IC portion of the incentive will be shared 75% to the PI and 25% to any key personnel or co-investigators for purposes of the formula below. After application of the 75% of the DICRR to the principal investigator any remaining amount of DICRR will be applied to other investigators on a pro-rata basis based on the number of other key personnel or co-investigators. In the event that multiple co-principal investigators (co-PIs) are designated for an eligible grant, both investigators will equally divide the DICRR used for calculation of the IC portion of the incentive.

If the grant has co-PIs and key personnel or co-investigators, the co-PIs will equally divide 75% of the DICRR used for calculation of the IC portion of the incentive, whereas all other key personnel or co-investigators will equally share the remaining 25%.

5) Implementation of the Plan:

- a) Notwithstanding anything else contained herein, the total amount of Research Incentive Compensation applicable to a particular grant for all faculty members related to a particular grant shall not exceed twenty-five percent (25%) of the sum of (1) all such faculty member's DICRR plus, (2) all such faculty member's Released Funds (hereinafter referred to as "the Cap"). In the event that the computation of aggregate Research Incentive Compensation for the principal investigator and any key personnel or co-investigators applicable to a particular grant exceeds the Cap, then Research Incentive Compensation will be paid first to the Principal Investigator up to the value of the Cap. If the Cap is not reached by the payment of RIC to the Principal

Investigator then, any remaining funds, up to the Cap shall be paid to other key personnel or co-investigators on a pro-rata basis based on the co-investigator's individual amount of Released Funds divided by the total number of co-investigators or key personnel not serving as co-PIs on a particular grant.

b) Additionally, the total amount of Research Incentive Compensation cannot exceed \$30,000 for an individual recipient. This value is referred to as the "Maximum Incentive Compensation".

c) The amount of Research Incentive Compensation is determined by multiplying the amount of Released Funds (RF) plus the amount of Departmental Indirect Cost Recovery Revenue by 25% and is prorated monthly according to the following formula:

(i) If one eligible faculty member: $RIC = (RF + DICRR) \times 25\%$

If the total compensation for all grants for an individual faculty member exceeds \$30,000, the Research Incentive Compensation will be \$30,000.

(ii) If multiple Principal investigators (not key personnel or co-investigators) are eligible:

$RIC = [RF + ((DICRR) / (\# \text{ of PIs}))] \times 25\%$

If the total compensation for all grants for an individual faculty member exceeds \$30,000, the Research Incentive Compensation will be \$30,000.

(iii) If multiple eligible faculty members (*PI's and Co-I's*):

Principal Investigator/s:

$RIC = [RF + ((DICRR \times 75\%) / \# \text{ of PIs})] \times 25\%$

Other key personnel

$RIC = [RF + ((DICRR \times 25\%) / \# \text{ Co-Is})] \times 25\%$

If the total compensation for all grants for an individual faculty member exceeds \$30,000, the Research Incentive Compensation will be \$30,000.

(iv) For Program, Center and COBRe Grants

PI of Program

$RIC = [(RF + (DICRR \times 75\%))] \times 25\%$

DICRR is calculated as total F&A returned to the department/center for all projects within the grant

Individuals who wrote Projects and/or Cores:

$RIC = [RF + ((DICRR^* \times 75\%) / \# \text{ Directors})] \times 25\%$

DICRR* is the calculated F&A only for the individual project PI's project that is returned to the home department/center for the grant.

If the total compensation for all grants for an individual faculty member exceeds \$30,000, the Research Incentive Compensation will be \$30,000.

Note – Determination of DICRR distribution will require obtaining the number of co-PI's and the number of CoI's on each grant.

The costs of the Research Incentive Compensation Plan will be provided by the Deans of the respective Schools of the Health Sciences Center. All Faculty payments for Research Incentive Compensation will be made in September after completion of the Plan year, or earlier if possible from an accounting perspective.

- d) The department chair, center of excellence director or head of any other business unit of the Health Sciences Center must attest in writing that all requirements of the Plan have been met and must complete the usual LSUHSC personnel action (PER-3) form to indicate the account distribution of the Research Incentive Compensation.

APPROVED BY:

Steve Nelson, MD, CM, FCCP, FACP
Interim Chancellor
LSU Health Sciences Center – New Orleans Campus

DATE: _____