

Contact: Kristin Bauer

**IOWA STATE UNIVERSITY COLLEGE OF VETERINARY MEDICINE PILOT PROGRAM**

**Action Requested:** Approve a three-year pilot program proposed by Iowa State University, College of Veterinary Medicine, as detailed in this memorandum and Attachment A.

**Executive Summary:** Iowa State University is proposing a three-year pilot program, Veterinary Clinical Service Incentive Plan (VCSIP), for all tenured/tenure-track and term faculty in the College of Veterinary Medicine to enhance and grow veterinary clinical services offered to the state and region. This pilot program is an extension of the initial one-year pilot program approved by the Board Office in June 2022.

VCSIP will provide financial recognition to faculty for their contributions to clinical service provided and incentivize the growth of fee-for-service activities providing increase revenues to the college and expanding services offered to the state and region which will also further the college's teaching and research mission. VCSIP seeks to support entrepreneurial activity among faculty that leads to the advancement of animal health management with evidence-based outcomes, conducting leading edge clinical research, and provide industry leading training for undergraduate, professional, and graduate students. Specifically, the program is intended to return to faculty that are meeting or exceeding expectations in all areas of their position responsibility statement (PRS) a portion of the professional service fee generated from the specific clinical services and/or professional consultation which the faculty member is providing to third parties on a fee-for-service basis.

The three-year pilot program is a college-wide plan, subject to funding availability and reasonable fee structure for the departments and units. The Plan is equivalent to 25% of professional fee revenues gained per faculty member(s) approved for the program with annual payments capped to 20% of the employee's base salary. The Plan will be tracked throughout the fiscal year and paid out in two lump sums.

**VETERINARY CLINICAL SERVICES INCENTIVE PLAN**

**Units:** The units below and the respective sections within these units and the services provided will be considered independently for purposes of the Veterinary Clinical Services Incentive Plan (VSCIP) and are referred to as units or sections in this Plan. Keeping in mind the overall missions of education, research and service, each unit will independently establish guidelines, within the basic framework described below, that works best for the services provided.

1. Lloyd Veterinary Medical Center (LVMC)
2. Veterinary Field Services (VFS)
3. Veterinary Pathology (VPATH)
4. Veterinary Diagnostic Laboratory (VDL)

**Eligibility:** Subject to an established, auditable professional service fees structure for the individual units, all tenured/tenure-track and term faculty will be eligible based on meeting the entirety of the following criteria:

- The faculty must complete a minimum of one academic year (AY) of employment in the College of Veterinary Medicine; new faculty members are not eligible until July following the AY in which employment began.
- The faculty must have received a satisfactory rating for all areas of the PRS for the most recent year.
- The faculty member can participate in both the Faculty Incentive Salary Incentive Program (FISIP) and the Veterinary Clinical Services Incentive Plan (VCSIP) during the same time period, but the combined total from both cannot exceed 20% of the faculty member's annual salary.
- Should a faculty member choose to resign or retire before the payout of VCSIP, the proportional payout will be made during the last month of employment.

The following are ineligible to participate:

- Faculty who have received an unsatisfactory rating for any area of the PRS for the most recent year
- Faculty hired on a one-year (or less) appointment
- House Officers
- Post Graduate Trainees including DVM's pursuing advanced degrees while working in the service units.

**Criteria:** When a department chair or academic unit director determines through the annual performance review and budget development processes that a faculty member is eligible for VCSIP, the chair/director will recommend that the faculty member receive a VCSIP increment of an amount equal to 25% of professional service fees generated during the fiscal year.

The VCISP may not exceed 20% of the faculty member's institutional base salary effective July 1 of the respective fiscal year. The total amount of the VCSIP increment and corresponding fringe benefits will be funded by fee-for-service funds. The chair/director will be responsible for funding the entire incentive increment and corresponding fringe benefits payable twice per year in the months of January and July.

Eligibility for the VCSIP will be reviewed each year. The VCSIP may result in variable distributions from year to year.

**Eligible Revenue:** Eligible revenues are strictly limited to the portion of professional service fees being assessed that are specifically being charged to compensate for the individual faculty member's time and effort spent on providing said service. Any portion of professional service fees being assessed that aim to charge for anything beyond the individual faculty member's time and effort spent in providing a given clinical service are not eligible.

Prior to implementation of the program, in some situations, or units, the existing fee structure will need to be modified to very clearly identify the professional (clinical) services fees being assessed that are specifically charged to third-parties (clients) for the individual faculty member's time and effort.

Selected examples of eligible professional service fees may include professional consultations, lesion scoring (gross and microscopic) for clinical trials, scoring microscopic image capture and analysis, professional services for summarizing diagnostic and production data for a veterinary clinic or production system (which may include site visits), and herd health consultations and performance evaluations.