



June 28, 1995

Harvey R. Kaslow, Ph.D.
2430 Kenilworth
Los Angeles CA 90039

Dear Dr. Kaslow:

As you know, on March 30, 1995, Provost Armstrong and Dean Ryan wrote you and other members of the School of Medicine's faculty to advise you that your salary may be reduced, or your position eliminated, as part of measures necessary to address the School's \$11.2 million structural budget deficit.

Following an intensive study of the budgetary crisis and possible means of resolving it, it has been decided that all faculty within a basic science department, as well as the basic science faculty in the Department of Pathology, will be placed on an academic year schedule, rather than on a year-round schedule, and compensated accordingly. This means that your duties will be reduced from a twelve-month schedule to a nine-month schedule, corresponding with the academic year of the School of Medicine, and that your current salary will be reduced accordingly by 25%. For those faculty with grants and contracts, income derived from such sources may be applied to supplement your salary beyond the nine-month contract term. However, if you supplement your nine-month contract by using grant and contract funds, the additional amount that you derive from grants and contracts must be based on your percentage of effort as reported in the grant application. Furthermore, if you are funded for twelve months during 1995/96, your total funding from all sources, and based on effort for twelve months, cannot exceed 100% of your 1994/95 total compensation, unless there is a legitimate exception that has been negotiated between you and your Department Chair.

You have the ability to select a variable compensation payment option. That is, your nine-month compensation can be spread over nine, ten, eleven, or twelve months. If you elect to have your compensation spread over nine, ten, or eleven months, you would have to prepay your health insurance and dental insurance benefits for the remaining months so that your insurance benefits are continuous. You may prepay your benefits either by check or as an additional payroll deduction in your final month of compensation for 1995/96.

In some instances, faculty may be required to provide certain academic functions that may exceed the nine-month contract period.

Those assignments may involve certain teaching activities, supervision of make-up examinations, performance evaluations, etc. Each department chair will determine the appropriate level of need for these services and will request that individual faculty provide such services with appropriate remuneration.

Budget Advisory Committee is developing standards for a performance-based compensation system to be implemented during 1995/96. Your performance will be measured during the next twelve months based upon those performance standards, but the results of that assessment will not be used for salary determination until the fiscal year that commences on July 1, 1996.

Your 1995/96 faculty contract, which will reflect the academic year schedule commitment and corresponding salary, will be sent to your home address by August 31, 1995. Meanwhile, you should understand that the only employment the University can offer you beyond July 1, 1995 is as described herein. This letter, followed by your 1995/96 faculty contract, will supersede any other agreements between you and the University.

Unfortunately, the measures designed to address the \$11.2 million structural budget deficit may not be sufficient, depending on what the County of Los Angeles does with respect to its funding of the LAC+USC Medical Center. You may have read the proposal by the County's Chief Administrative Officer, Sally Reed, to close the Medical Center. While we certainly hope that will not happen, County funding to the School of Medicine will likely be reduced and, if so, that necessarily would have further adverse consequences for all basic science and clinical faculty.

We regret very much that the severe financial problems facing the School of Medicine necessitate these actions. We also appreciate the difficulties that may result from the impact of this reduction. Regrettably, no other course of action is available to us. If you have any questions, please contact me. We will continue to keep you informed of further developments.

Sincerely,



Stephen J. Ryan, M.D. Dean

cc: Department Chairs, Basic Science Departments
Administrators, Basic Science Departments and Pathology