



UNIVERSITY OF MARYLAND

OFFICE OF THE PRESIDENT

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April 26, 2016

MEMORANDUM

TO: Mary Ann Rankin, Senior Vice President and Provost
Linda Clement, Vice President for Student Affairs
Carlo Colella, Vice President for Administration & Finance
Eric Denna, Vice President and Chief Information Officer
Pat O'Shea, Vice President for Research
Mike Poterala, Vice President and General Counsel
Peter Weiler, Vice President for University Relations
Michele Eastman, Assistant President and Chief of Staff

FROM: Wallace D. Loh, President *Wallace D. Loh*

SUBJECT: FY 2017 Salary Guidelines

The FY 2017 USM Compensation Guidelines from Chancellor Caret are enclosed for your reference. The guidelines apply to all sources of funds available to the institution, to all faculty and staff, including part-time and contingent personnel, and to all proposed salary increases through FY 2017. The only categories of compensated individuals exempted from the guidelines are adjunct faculty, graduate assistants, fellows, post-docs and student employees.

Please distribute and discuss the guidelines with the unit heads in your divisions, including our campus-specific restrictions, and disseminate the information to the appropriate personnel.

I highlight the following features of the salary guidelines that take effect July 1, 2016 and continue through FY 2017:

1. The FY 2017 appropriation includes funding for a 2.5% average merit pool for faculty and exempt staff employees, and a 2.5% merit increase for non-exempt staff who receive a PRD rating of "Meets Expectations," to be effective on July 1, 2016.
2. The FY 2017 appropriation does not include a Cost of Living Adjustment (COLA) increase.
3. We will be allowed to provide salary increases necessary to retain faculty and operationally critical staff. All proposed faculty retention increases and any proposed retention increase for a staff employee with "Vice President" or "Dean" in his/her title must be approved by the President.
4. Pursuant to guidelines established by each divisional Vice President, equity adjustments may be granted, subject to the approval of the appropriate Vice President. Any proposed

equity adjustment for an employee with “Vice President” or “Dean” in his/her title must be approved by the President.

5. All total salary increases, including all of the above-listed elements, of **greater than 10%** must be approved by the President. Promotions are excluded.
6. No adjustments in funding for employee merit pools will be provided on the basis of any salary adjustments made after the April 19, 2016 personnel data freeze.
7. The Maryland Minimum Wage Act of 2014 increases the minimum wage of all Maryland workers to \$8.75 per hour as of July 1, 2016. The new minimum wage will apply to all campus employees, including student employees and general assistants, as of that date.

Salary Structures

- A. Exempt Salary Structure. The current structure will remain in place as of July 1, 2016. The structure may be adjusted following the announcement of new Fair Labor Standards Act regulations, which is expected later this year. USM will provide further guidance, if and when final regulations are issued.
- B. Nonexempt Salary Structure. The current salary structure, implemented on July 1, 2015, remains in effect through June 30, 2017.

FY 2017 Salary Setting Guidelines

Salary adjustments are appropriate for promotions, within band adjustments, reclassifications, merit, equity and retention of faculty or operationally critical staff.

Please ensure that salaries for new employees do not create significant salary inequities when compared with salaries of current faculty or staff.

All proposed retention and equity increases, as well as total salary increases of greater than 10%, must be approved by the appropriate Vice President, prior to review by the President. Please note that certain salary requests also may require approval by the President.

Requests requiring salary approval should utilize Enclosure 2, the ***FY2017 Salary Increases Form*** and be forwarded to the appropriate Vice President’s Office. Please forward signed request forms to the Office of the President for final approval.

Merit Increases

Nonexempt Staff

Merit increases will be based on the employee’s past performance during a period ending no later than April 22, 2016. Employees who consistently meet the standards of performance during this period for their positions shall qualify for a merit increase.

Regular-status Nonexempt staff who receive a PRD rating of “Meets Expectations” and who have successfully completed their original probationary period by July 1, 2016 will receive a merit increase of 2.5%. Please contact University Human Resources with questions about

nonexempt employees and eligibility for the 2.5% increase.

According to USM Policy, nonexempt staff are eligible to receive a merit increase up to the maximum of their respective pay ranges. In FY 2017, a unit may continue to provide the applicable merit increase above the maximum of an employee's range in the form of a one-time payment that is not added to the employee's base salary

Faculty and Exempt Staff

The FY 2017 budget includes funding for a 2.5% average merit pool for faculty and exempt staff. Merit increases for these employees shall reflect their performance, consistent with unit merit pay plans and standards and any relevant collective bargaining agreement requirements. For exempt employees Vice Presidents shall be allowed to modify the eligibility cut-off date for these employees within their division based upon an employee's original hire date to the institution.

Contingent Staff and Contractual Faculty

Units may elect to provide a merit increase to contractual faculty and contingent staff employees as a matter of discretion.

Retention Increases for Faculty and Staff

Our ability to continue offering retention increases to faculty and operationally critical staff is the result of the restraint we exercised in using this option for the last several years. **The judicious use of retention increases is equally as important in FY 2017.**

- A. **Faculty Retention:** Salary increases for faculty retention must be written and submitted to the Office of the Senior Vice President and Provost for approval and recommendation to the President. Please use Enclosure 2, the *FY2017 Salary Increases Form* - to request approval. Faculty should not be notified of the proposed FY 2017 salary before the recommendation has received presidential approval. To support a retention adjustment, the justification must include one of the following:
- A written offer to the faculty member from another institution; or
 - Written evidence, including email or other correspondence, that the faculty member is being recruited seriously by another institution at a compensation level likely to exceed the faculty member's current compensation; or
 - Documentation that the department has experience retention programs in recent years that likely will result in the loss of a valuable faculty employee, if a retention adjustment is not made; or
 - Other strong evidence that the institution is in imminent risk of losing a faculty member in the absence of a retention adjustment.
- B. **Staff Retention:** There will be a limited number of staff retention increases granted in FY 2017. To support a retention adjustment, the justification must include one of the following:
- A written offer of employment from an external employer; or

- Written evidence, including email or other correspondence, that the employee is being recruited seriously by another employer or a search firm for an employer, at a compensation level likely to exceed the employee's current compensation; or
- Attestation from the department head or other strong evidence and reasonable certainty that the staff person is being actively recruited and preemptive action is necessary in order to avert the employee's imminent departure.

The staff employee and/or position must be deemed "operationally critical" defined as:

- The employee has specialized and/or unique skills or experience that cannot be replicated without hiring a replacement at a higher salary; or
- The vacating of the position would cause significant disruption to the critical operations of the unit, or cause a loss of federal or other external funds, or compromise the institution's ability to compete for sponsored research grants or contracts; or
- The position has experienced retention challenges in recent years.

A staff retention offer is limited to match the amount of a formal external job offer, or, if preemptive, the retention is no more than 12% increase of the employee's current base salary.

To request approval for a staff retention increase, the Chair or Director must complete Enclosure 2, the ***FY2017 Salary Increase Form***, located at www.uhr.umd.edu, and route it through its college and/or division to the Assistant Vice President of Human Resources, who will review the rationale to determine if the eligibility criteria are sufficiently met. If approved, the Assistant Vice President of Human Resources will forward the request on to the appropriate Vice President for final approval. Retention increases for staff with "Vice President" or "Dean" in their title will be recommended by the appropriate Vice President then reviewed by the Assistant Vice President for Human Resources and if approved forwarded to the President for final approval.

The Assistant Vice President for Human Resources is required to report staff retention offers and other significant salary adjustments to the USM on a regular basis. These reports are subject to review by Maryland's Department of Legislative Services.

Any questions regarding staff guidelines should be directed to Ms. Jewel Washington at x55648 or jmwashin@umd.edu. Any question regarding faculty guidelines should be directed to [Cynthia Hale](mailto:Cynthia.Hale@umd.edu) at x56816 or chale@umd.edu.

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Enclosure 1 – ***FY 2017 USM Salary Guidelines***

Enclosure 2 – ***Proposed FY2017 Salary Increases***