



UNIVERSITY OF MARYLAND

OFFICE OF THE PRESIDENT

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May 22, 2017

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
Mike Poterala, Vice President and General Counsel
Amitabh Varshney, Interim Vice President for Research
Brian Ullmann, Acting Vice President for University Relations
Michele Eastman, Assistant President and Chief of Staff

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

SUBJECT: FY 2018 Salary Guidelines

The FY 2018 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 2018. 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, 2017 and continue through FY 2018:

1. The FY 2018 appropriation does not include merit increases.
2. The FY 2018 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. The President must approve all proposed faculty retention increases and any proposed retention increase for a staff employee with “vice president” or “dean” in his /her title.
4. Pursuant to guidelines established by each divisional vice president, equity adjustments may be granted, subject to the approval of the appropriate vice president. The President must approve any proposed equity adjustment for an employee with “vice president” or “dean” in his /her title.

5. The President must approve all total salary increases, including all of the above-listed elements, of greater than 10%. Promotions are excluded.
6. The Maryland Minimum Wage Act of 2014 increases the minimum wage of all Maryland workers to \$9.25 per hour as of July 1, 2017. The new minimum wage will apply to all campus employees, including student employees and general assistants, as of this date.

Salary Structures

- A. Exempt Salary Structure. The current salary structure, implemented on January 1, 2017, remains in effect through June 30, 2018.
- B. Nonexempt Salary Structure. Effective July 1, 2017, the Board of Regents approved a 5.6% increase to the current nonexempt salary structure. All nonexempt staff, including contingent I and II employees and staff members on probation, will have to meet the minimum salary of the appropriate range in the revised nonexempt salary structure.

FY 2018 Salary Setting Guidelines

Salary adjustments are appropriate for promotions and reclassification, 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.

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

Requests requiring salary approval should utilize the Salary Increase Form and be forwarded to the appropriate Vice President's Office. As needed, please forward signed request forms to the Office of the President for final approval.

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 2018.**

- 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 then forwarded for recommendation to the President. Please use the online *Salary Increase Request form* on the Electronic Forms menu on www.ares.umd.edu to request approval. Faculty should not be notified of the proposed FY 2018 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 in recent years the department has experience with retention programs which 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: A limited number of staff retention increases will be granted in FY 2018. To support a retention request, 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 the *Salary Increase Approval form* located at www.uhr.umd.edu and route it through its college and/or division to the appropriate Vice President, who will review the rationale to determine if the eligibility criteria is sufficiently met. If approved, the Vice President will forward the request on to the appropriate Assistant Vice President for Human Resources for approval. Retention increases for staff with "vice president" or "dean" in their title will be recommended by the appropriate Vice President and reviewed for final approval by the President.

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 retention offers should be directed to Ms. Jewel Washington at x55648 or jmwashin@umd.edu.

WDL/mae

Enclosure 1 – *FY 2017 USM Salary Guidelines*