MEMORANDUM

TO: Ann Wylie, Senior Vice President and Provost
    Linda M. Clement, Vice President, Student Affairs
    Patrick O’Shea, Vice President, Research
    Brodie Remington, Vice President, University Relations
    Rob Specter, Vice President, Administrative Affairs
    Brian Voss, Vice President, Information Technology
    Michele Eastman, Chief of Staff

FROM: Wallace D. Loh, President

DATE: July 16, 2012

SUBJECT: Salary Guidelines for FY 2013

The USM Compensation Guidelines from Chancellor Kirwan for FY 2013 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 2013. Please distribute and discuss the guidelines with the unit heads in your division(s), including our campus specific restrictions, and disseminate the information to the appropriate personnel.

I highlight the following features of the salary guidelines that took effect July 1, 2012 and continue through FY 2013:

1. The FY 2013 appropriation includes a two percent Cost of Living Adjustment (COLA) to be made on January 1, 2013 for all regular faculty and staff and for graduate students. Units may elect to provide a COLA to contractual faculty and contingent staff employees.

2. We will be able to provide salary increases necessary to retain faculty and operationally critical staff.

3. There will be no merit increases in FY 2013.

4. With the exception of promotions and reclassifications for faculty and staff and adjustments required by the implementation of the revised Exempt Salary Structure, the only salary adjustments allowed, beyond COLA, are for retention of faculty or operationally critical staff.
5. Please do your best to ensure that salaries for new employees do not create significant salary inequities when compared with salaries of current faculty or staff.

6. Exempt Salary Structure. In April, the Board of Regents approved adjustments to the USM’s Exempt salary structure for implementation on July 1, 2012. All exempt staff, including contingent I and II staff employees, must meet the minimum salary of the appropriate range in the revised Exempt salary structure.

7. Adjunct Faculty who meet the criteria for designation of Adjunct Faculty II under BOR Policy II-1/.07 are eligible for a compensation increase. The Provost will provide the minimum increase in a separate letter to deans. Such increases must be in place by the beginning of the Fall 2012 semester.

8. 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 exercised by USM institutions in using this option in FY 2012. The judicious use of retention increases is equally as important in FY 2013.

A. Faculty Retention: Salary increases for faculty retention must be written and submitted to the President’s Office for approval. Please use Enclosure 2 – Justification Form for Faculty Retention Adjustments – to request approval. Faculty should not be notified of the FY 2013 salary before the recommendation has received presidential approval. The total number of faculty retention increases will be reported to the Chancellor as well as the justification for those faculty retention increases that exceed 10%. 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
- 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: The following pertains to staff retention increases in FY 2013 for the University of Maryland, College Park.

- There will be a limited number of staff retention increases granted in FY2013. UMD’s target for staff retention offers is not more than 50 campus-wide during the course of the year and applies to all sources of funding.
To support a retention adjustment, the justification must include one of the following:

a. The staff person must have a written offer of employment from an external employer; or
b. 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

c. the department head must attest to 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 person and/or position must be deemed “operationally critical,” defined as:

a. having specialized and/or unique skills or experience that cannot be replicated without hiring a replacement at a higher salary (i.e., greater than the target hiring range); or
b. 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

c. the position has experienced demonstrable retention challenges in recent years.

A staff retention offer is limited to matching the amount of a formal external employment offer as evidenced in writing or to 12% of the employee’s FY2013 salary for any qualifying pre-emptive retention offer.

To request approval for a staff retention increase, the chair or director must complete the “Request for FY2013 Retention Adjustment for Operationally Critical Staff” form located at www.uhr.umd.edu and route it through the college to the Director of University Human Resources, who will review the rationale to determine if the eligibility criteria are sufficiently met. If approved, the Director of UHR will forward the request on to the appropriate Vice President for final approval. A copy of the form is attached to these guidelines.
9. Faculty and Staff Retention Increases Related to Serious Compensation Disparities. The Chancellor's FY2013 Compensation Guidelines contain a provision that allows for a second type of retention adjustment that could be available to address compensation disparities within a department that result from retention adjustments and/or new hires being made. Included in the Chancellor's Guidelines is the requirement for thirty days prior approval of two or more such retentions in any one department or unit. This type of retention adjustment will not be adopted by the UMCP campus in FY2013, except in the case of an extraordinary set of circumstances. For example, within one unit, there may be 3 vacancies out of four positions within a particular job classification or closely related job class. It may be possible to provide evidence that the three recent hires into the three vacancies directly resulted in the salary for the fourth related position becoming significantly out of alignment with the majority of salaries within that particular job class. Thus the argument is made for a salary disparity retention adjustment for that fourth person.

10. Retention increases for any Vice President, Dean or anyone with a Vice President or Dean in his or her title (i.e. Assistant Vice President, Assistant Dean, etc.) must be approved by the President.

11. The Director of UHR is required to report staff retention offers to the USM on a quarterly basis. Retention offers are subject to review by Maryland's Department of Legislative Services. Any questions regarding staff retention offers should be directed to Dale Anderson at x55648 or danderso@umd.edu.

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Enclosure 1 – USM Salary Guidelines for FY 2013
Enclosure 2 – Faculty Retention Form
Enclosure 3 – Staff Retention Form
Enclosure 4 – Allocation of Staff Retention by Division