

OFFICE OF THE CHANCELLOR

To: USMPresidents
FROM: William E. Kirwan
Chancellor
DATE: May 19, 2015
RE: FY 2016 USM Compensation Guidelines

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University of Maryland,
Baltimore

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University of Maryland,
College Park

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University of Maryland
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University of Baltimore

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University of Maryland
Center for Environmental
Science

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University of Maryland
University College

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University of Maryland,
Baltimore County

I. Introduction

With the completion of the General Assembly's 2015 Session, we are now able to provide guidelines for the compensation of faculty and staff of the University System of Maryland (USM) in Fiscal Year 2016. As we transition from FY 2015 to FY 2016, we start with a bit of good news. With regard to the FY 2015 COLA, you will recall the possibility that the 2% increase that took effect on January 1, 2015 might be rescinded as part of this year's budget process. We were extremely pleased when the Governor announced on May 6 that the FY 2015 COLA will remain intact in the coming fiscal year. Unfortunately, the FY 2016 budget does not provide for COLA or merit increases. Thus we are left with limited tools to improve compensation, with positive

II. Scope

- A. Employee Categories. The guidelines apply to all USM faculty and Staff employees in Regular or Contingent I or II status, regardless of the source of funding for the employee's position. The only categories of compensated individuals exempted from the guidelines are adjunct faculty, graduate assistants, fellows, postdocs and student employees.

As a reminder, please note that the Maryland Minimum Wage Act of 2014 increases the minimum wage for all Maryland workers to \$8.25 per hour as of July 1, 2015. The minimum wage will apply to all USM employees, including student employees and general assistants as of that date.

- B. Types of Compensation Not Restricted by the Guidelines.

whose July 1 salaries are less than the new minimum salaries in each range, to reflect the minimum of the appropriate pay range in the revised Nonexempt structure.

3. Adjunct Faculty: Adjunct faculty who meet the criteria for designation as Adjunct Faculty II under BOR Policy 107 are eligible for per-course compensation increase that brings their compensation to at least 10% more than the minimum adjunct compensation paid by the institution. Such increases must be in place by the beginning of the Fall 2015 semester.

B. Merit and COLA

The FY 2016 budget does not allow for merit or COLA increases in the coming year. As noted earlier, the FY 2015 COLA will remain intact ()Tj rTw 0.74 0 Td [(A)4(dj)4(u)3 Td [(tC /P)-0.002 [(i

2. Staff Retention Increases: To support an adjustment for a Staff employee, the institution must first demonstrate that the employee is "Operationally Critical Staff," defined as a Staff employee who:
 - x Is in a position in which the institution has experienced retention problems in recent years;
 - x Has specialized or unique skills or experience that could not be replicated by the recruitment of a new employee without: 1) increased compensation costs, or 2) significant disruption to critical operations of the unit in which the individual is

E. Unauthorized Compensation Increases

The following compensation increases are not permitted in FY 2016:

1. Cost of Living Adjustments (COLAs)
2. Merit Increases
3. Contract Renewal Increases: Any salary increase related to the renewals of contracts for contractual faculty and Contingent Staff employees not otherwise authorized by these guidelines
4. Non-Cumulative Cash Bonuses: ~~Non~~ cumulative cash bonuses (described in BOR Policy VII-

Sufficiency of institutional funds will be a critical factor in the determination of whether to approve such increases. Since our institutions have had the opportunity the last two years to correct salary distortions that may have arisen during prior years of frozen salaries, we expect to see few requests for multi-employee equity or other increases in FY 2016.

Compensation increases proposed under these conditions should be submitted approximately 30 days before their intended effective date and be accompanied by specific justification and documentation.

B. Required Reports

The following reports are required this year. They should be submitted to Associate Vice Chancellor JoAnn Goedert in the US Office of Administration and Finance, no later than July 15, 2015 unless stated otherwise

1. President's Affirmation Letter Affirms that the salary and compensation actions taken for FY 2016 are consistent with the guidelines established herein, with the President's signature.
2. Periodic Report of Retention Increases and Other Salary Adjustments. Provides itemized detail of Faculty and Staff employee retention adjustments and "Other Salary Adjustments" made under Section A) above, that you have approved. The report should include a brief explanation in support of each decision.

For FY 2016, two reports will be required as follows:

November 20, 2015: For increases effective between July 15, 2015 and November 15, 2015

July 15, 2016: For increases effective between November 16, 2015 and June 30, 2016.

The deadline for the first report was established in order to meet a key Dec. 1, 2015 reporting requirement to the General Assembly. The second report is scheduled to capture data through the end of FY 2016

These reports will include all retention and "other" increases within the scope of these 30,

