



OFFICE OF THE CHANCELLOR

MEMORANDUM

TO: USM Presidents
FROM: William E. Kirwan, Chancellor
DATE: June 6, 2012
: FY 2013 USM Compensation Guidelines

- 1807 University of Maryland, Baltimore
1856 University of Maryland, College Park
1865 Bowle State University
1866 Towson University
1886 University of Maryland Eastern Shore
1898 Frostburg State University
1900 Copplin State University
1925 Salisbury University
1925 University of Baltimore
1925 University of Maryland Center for Environmental Science
1947 University of Maryland University College
1966 University of Maryland, Baltimore County

I. Introduction

With the completion of the General Assembly's May 2012 Special 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 2013. While the positive elements of the coming fiscal year's budget include:

A two percent Cost of Living Adjustment (COLA) is to be made on January 1, 2013.

There will be no furloughs required in FY 2013.

The USM will be able to provide salary increases necessary to retain faculty and operationally critical staff.

Unfortunately, the prohibition on merit increases was continued through FY 2013, and it extends until April 2014.

The following mandatory guidelines take effect July 1, 2012 and continue through the fiscal year. They are intended to implement the State Budget requirements related to employee compensation that will arise in FY 2013. Each President may establish institutional guidelines consistent with this document and related USM policies to ensure their appropriate administration on your campus and to address compensation processes and issues specific to your institution.

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, post-docs and student employees.

- B. Types of Compensation Not Restricted by the Guidelines. Except for certain reporting requirements explained in this memo, the restrictions and requirements of the guidelines do not apply to the following types of compensation:
1. Increases for promotion to a new position;
 2. Increases resulting from the reclassification of an employee's position,
 3. Payments for additional duties, such as summer and winter term teaching, overload teaching, on-call or clinical coverage, and temporary service in an acting capacity;
 4. Summer compensation for nine- or ten-month faculty funded by sponsored sources or the institution; and
 5. Awards, including Board of Regents awards for staff and faculty, and institution service and other awards.

III. Guidelines

A. Salary Structures.

1. Nonexempt Salary Structure. The current salary structure for Nonexempt Staff employees remains in effect through FY 2013. Consistent with Board of Regents policy, the USM will conduct a market analysis of Nonexempt salaries in the coming months, with the expectation that we will present recommendations to adjust the USM's Nonexempt salary structure in early 2013, for implementation in FY 2014 (July 1, 2013).
2. Exempt Salary Structure: In April, the Board approved adjustments to the USM's Exempt salary structure for implementation in FY 2013. The institutions will implement the new Exempt salary structure on July 1, 2012.
3. Adjunct Faculty: Adjunct faculty who meet the criteria for designation of Adjunct Faculty II under BOR Policy II-1.07 are eligible for a 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 2012 semester.
4. Minimum Salaries: Adjustments will be made on July 1, 2012 to increase salaries, including salaries for Contingent I and II Staff employees, to reflect the minimum of the appropriate pay range in the revised Exempt salary structure.

B. FY 2013 COLA

A two percent COLA will be paid, effective on January 1, 2013, to all USM regular faculty and staff employees. The FY 2013 budget includes funding to increase regular employees' base salaries by 2% on that date to reflect the COLA adjustment. Institutions may elect to provide a COLA to contractual faculty and contingent staff employees as a matter of institution discretion.

C. Retention Increases for Staff and Faculty Employees.

Once again, the USM will be able to provide increases necessary to retain Faculty and "Operationally Critical Staff." This option is intended for Faculty and Operationally Critical Staff who are being recruited by other institutions, or where there is strong evidence that a preemptive action may be necessary to prevent the loss of a valued employee.

The USM's ability to continue offering these limited salary increases was the result, in

In addition, the institution must have for the operationally critical employee:

A written offer to the employee from another employer; or

Written evidence, including e-mail or other correspondence, that th

laws), salary adjustments may be made. Any such adjustments, except for those listed in Section II.B of this memorandum, should be included in the institution's periodic report to the Chancellor.

IV. Required Approvals and Reports

A. Prior Approval

The institution must obtain prior approval by the Chancellor, or the Chancellor's designee, for any FY 2013 for compensation increase (other than those listed in Section II(B), _____ under the following circumstances:

When the institution proposes to offer multiple salary increases in a department or unit for retention, equity or other purposes.

After the institution has awarded a total number of retention, equity or other increases in FY 2013 that exceeds 5% of the institution's full-time equivalent workforce.

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 once again this year. They should be submitted to Assistant Vice Chancellor JoAnn Goedert in the USM Office of Administration and Finance, no later than July 15, 2012:

1. **President's Affirmation Letter.** Affirms that the salary and compensation actions taken for FY 2013 are consistent with the guidelines established herein, with the President's signature. (See attached letter template).
2. **Periodic Report of Retention Increases and Other Salary Adjustments.** Provides itemized detail of Faculty and Staff employee retention compensation adjustments and "Other Salary Adjustments" made under Section III (C) or (F), above that you have approved. The report should include a brief explanation in support of each decision.

In past years, reports of such increases were required within 30 days of each salary action. For FY 2013, four periodic reports will be required instead on:

July 16: For increases effective on July 1, 2012.

November 15: For increases effective after July 1 through October 31, 2012.

April 1: For increases effective between November 1, 2012 and March 15, 2013.

June 28: For increases effective between March 16 and June 15, 2013.

The timing of these reports is mandated by USM reporting requirements to the

General Assembly, including a report regarding retention increases that is due on December 1, 2012.

These reports will include all retention and “other” increases within the scope of these guidelines made during the reporting period. Institutions that provided no compensation increases in a given reporting period simply will be required to acknowledge that fact. A suggested reporting format will be provided by June 15.

3. Updated List of Institution Key Staff Employees. Includes, at a minimum, institution officers, direct reports to the President, and individuals whose contracts or other compensation agreements that fall under the USM Policy on the Review of Highly Compensated Personnel, containing compensation data for FY 2012 and FY 2013 (see attached format).

If you have any questions regarding these guidelines and reporting requirements, please contact JoAnn Goedert at (301) 445-1921 or via email at jgoedert@usmd.edu. Thank you very much.

Attachments

cc: Joseph F. Vivona, COO/VCAF
Vice Chancellors
Vice Presidents for Administration
Provosts and Academic Vice Presidents
Janice Doyle

JoAnn Goedert
Rosario I. van Daalen
Lorri McMann
Monica West

