




**OFFICE OF THE PRESIDENT**

May 22, 2026

**MEMORANDUM**

**TO:** Vice Presidents and Assistant President and Chief of Staff

**FROM:** Darryll J. Pines, President 

**SUBJECT:** FY 2027 Presidential Salary Guidelines

The FY 2027 USM Compensation Guidelines from Chancellor Perman are enclosed for your reference. The guidelines apply to all sources of funds available to the institution, to all faculty and staff, including regular employees and employees in Contingent I and II status, and to all proposed salary increases through FY 2027. The only categories of compensated individuals exempted from the guidelines are contractual (adjunct) faculty, graduate assistants, fellows, post-docs and student employees, except as noted.

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 information of the salary guidelines that take effect July 1, 2026 and continue through FY 2027:

1. The FY 2027 budget includes a provision for a 1.5% cost-of-living adjustment (COLA) for all regular faculty and staff effective July 1, 2026.
2. The FY 2027 budget did not provide funding for merit increases.
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 when the total salary increases are 15% or more, and any proposed retention increase for a staff employee who reports directly to a vice president.
4. Pursuant to guidelines established by each 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 who reports directly to a vice president.
5. The President must approve all total salary increases, including all of the above-listed elements, of 15% or more. Promotions are excluded.
6. The minimum wage for all Maryland workers remains at \$15.00 per hour.

**Salary Structures**

- A. The Exempt and Nonexempt salary structure will remain in effect without changes.

- B. Graduate Assistants stipends should be provided as described in the *Minimum Stipend Levels for Graduate Assistants and Fellows for FY 2027* memo, which will be forthcoming as the University's FY 2027 budget approaches finalization.

### **FY 2027 Salary Setting Guidelines**

Salary adjustments are appropriate for promotions, within band adjustments, reclassifications, COLA, 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 15% or more. Please note that certain salary requests also may require approval by the President, as previously mentioned.

Requests requiring salary approval for staff should utilize the [Salary Increase Approval 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 when appropriate. For staff requests of this nature in Academic Affairs, please use the APA [system](#).

Requests requiring salary approval for faculty should utilize the APA [system](#) managed by the Office of the Senior Vice President and Provost.

### **Merit Increases**

The Governor's budget, as approved by the State Assembly, did not provide funding for merit increases.

### **Cost of Living Adjustment (COLA)**

All regular faculty and staff employees who are in a "paid status" on June 30, 2026 will receive a 1.5% COLA effective July 1, 2026. For employees working on an academic calendar, a 1.5% COLA shall be provided effective with contract renewals immediately following July 1, 2026. Given that the FY 2027 budget, as proposed by the Governor and approved by the General Assembly, only included a provision for a 1.5% cost of living adjustment for all regular faculty and staff, individual units may not provide a COLA to Contingent I and II Staff, Contractual Faculty (Adjunct), Graduate Assistants, Postdocs, or Fellows.

### **Retention and Equity Increases for Faculty and Staff**

Retention and equity increases to faculty and operationally critical staff have been provided through judicious use over the last several years, and it is expected that retention and equity increases will continue to be reviewed through the same thoughtful and carefully considered process.

- 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; when the total salary increases are 15% or more, they are then forwarded for recommendation to the President.

Please use the online [system](#) provided by the Office of the Senior Vice President and Provost to submit these requests for approval. Faculty should not be notified of the proposed FY 2027 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;
- Written evidence, including e-mail or other correspondence, that the faculty employee is being recruited by another institution, or a search firm for an institution, at a compensation level likely to exceed the faculty employee's current compensation; or
- Attestation from the chair and dean that the institution is at imminent risk of losing a faculty employee in the absence of a retention adjustment.

B. Staff Retention: To support a staff 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 actively recruited by an external 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 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 (i.e., greater than the target hiring range); 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 demonstrated retention challenges in recent years.

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

To request approval for a staff retention or equity increase, the chair or director must complete the Salary Increase Approval form 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 are sufficiently met. The signed form should be included when the request is processed in Workday, where UHR will provide their final review and approval. Retention and equity increases for staff who report directly to a vice president will need to be recommended and forwarded by the appropriate Vice President for review for final approval by the President.

FY 2027 Presidential Salary Guidelines

May 22, 2026

Page 4

The President must approve all total salary increases, including all of the above-listed elements, of 15% or more. Promotions are excluded.

The Assistant Vice President and Chief Human Resources Officer is required to report significant salary adjustments of regular faculty and staff employees during the period July 1, 2026 to June 30, 2027 to the USM. These reports are subject to review by Maryland's Department of Legislative Services. Any questions regarding staff retention offers should be directed to Ms. Rythee Lambert-Jones at 301-405-5649 or via email at [rljones7@umd.edu](mailto:rljones7@umd.edu).

Enclosure – USM FY 2027 Compensation Guidelines

---

OFFICE OF THE CHANCELLOR

**TO:** USM Presidents  
**FROM:** Jay A. Perman, Chancellor  
**DATE:** May 11, 2026  
**RE:** FY 2027 Compensation Guidelines

---

### ***I. Introduction***

This memorandum outlines the Fiscal Year 2027 guidelines for faculty and staff compensation within the University System of Maryland (USM).

These guidelines take effect July 1, 2026, and will continue through the fiscal year. Each President may establish university guidelines consistent with this document and related Board of Regents policies to ensure appropriate administration and address compensation processes, issues, or collective bargaining requirements specific to their university. Universities also should ensure the application of any increases required by the provisions of ratified collective bargaining agreements.

### ***II. Scope***

These guidelines apply to all 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 these guidelines are Contractual Faculty (Adjunct), Graduate Assistants, Postdocs, Fellows, and student employees, unless otherwise noted.

Please note that, to the extent the provisions of ratified applicable collective bargaining agreements require that compensation items be approved and funded by the state legislature and the Governor, the FY27 state budget has only approved and funded a 1.5% COLA. If any MOU language or individual employment contract conflicts with these guidelines, those agreements supersede these guidelines *for employees covered by such agreements or contract* **only** to the extent that a compensation increase (through salary increase, scale adjustment, one-time increase, bonus, or other means) is not contingent upon State appropriations.

### ***III. Guidelines***

#### **A. General**

The FY 2027 budget, as proposed by the Governor and approved by the General Assembly, includes a provision for a 1.5% cost of living adjustment for all regular faculty and staff. Limited general fund support has been provided for state supported positions only.

The General Assembly has placed no restrictions on the ability of universities to provide for retention, equity and other necessary increases to faculty and staff during the coming fiscal year.

All faculty and staff pay increases will follow the sequencing of pay adjustments referenced in BOR policy [VII-9.20 Pay Administration for Regular Nonexempt Staff Employees](#).

B. Salary Structures

The Exempt and Nonexempt salary structure will remain in effect without changes.

C. Cost of Living Adjustment (COLA)

A 1.5% cost of living increase shall be provided to all regular faculty and staff effective July 1, 2026, or effective with contract renewals immediately following July 1, 2026, for employees working on an academic calendar. Universities also may provide a COLA to Contingent I and II Staff, Contractual Faculty(Adjunct), Graduate Assistants, Postdocs, and Fellows in accordance with university policy and practice based on available funds and in an amount determined by the university.

Final application of the July 2026 COLA for University of Maryland Baltimore School of Medicine clinical faculty may be based on the availability of clinical income, including contractual income, to support such payments.

D. Merit Increases

The Governor's budget, as approved by the State Assembly, did not provide funding for merit increases. As a result, universities may not elect to provide merit increases except for bargaining unit members who are covered by an MOU to the extent that the MOU provides for merit increases which are not contingent on State appropriations.

E. Minimum Wage

The minimum wage for Maryland workers remains at \$15.00 per hour.

F. Other Types of Compensation Increases Not Restricted by the Guidelines

The following types of compensation increases should be thoughtfully implemented only after full consideration of relevant factors:

1. Retention (to be used judiciously when necessary to retain a difficult-to-replace employee).
2. Equity Increases (e.g., increases required to comply with federal and state equal opportunity employment laws and federal immigration laws).
3. Reclassifications.
4. Promotions.

5. Payment for Additional Duties (e.g., summer and winter term teaching, overload teaching, on-call or clinical coverage, and temporary service in an acting capacity).
6. Established University Awards (including Board of Regents awards for staff and faculty and university service awards).
7. Contract Renewal Increases.
8. Non-Cumulative Cash Bonuses.

An university may award a non-cumulative cash bonus as described in [BOR Policy VII-9.11, Policy on Pay Administration for Exempt Positions](#), Section III. K., and [BOR Policy VII-9.20, Policy on Pay Administration for Regular Nonexempt Staff Employees](#), Section XVI.

9. Non-Salary Taxable Compensation.

According to Board of Regents policy, certain increases in non-salary taxable compensation (e.g., housing and car allowances and deferred compensation contributions) must be authorized by the President and approved in advance by the Chancellor. Note that USM approved programs, such as the Live Near your Work and the Childcare Grant Program, are exempt from this approval process.

10. Any other salary increase permitted by Board of Regents policy that is not prohibited by this memorandum.

#### ***IV. Required Reports***

The following reports should be sent to Sr. HR Officer Tom Hoffacker in the USM Office no later than Friday, July 24, 2026, unless otherwise stated:

- A. President's Affirmation Letter.

The affirmation letter shall affirm that the compensation actions taken for FY 2027 will be consistent with the guidelines established herein and that all contracts are handled appropriately consistent with [BOR Policy VII-10.0, Policy on Board of Regents Review of Certain Contracts and Employment Agreements](#).

- B. Updated List of University Key Staff Employees.

This list must include, at a minimum, university officers, direct reports to the President, and individuals whose contracts or other compensation agreements fall under the [BOR Policy VII-10.0, Policy on Board of Regents Review of Certain Contracts and Employment Agreements](#) and must contain compensation data for FY 2026 and FY 2027. This list will also designate key employees who fall under [BOR Policy VII-1.22, Policy on Separation for Regular Exempt Staff Employees](#).

C. Report of Significant Salary Adjustments.

This report must provide details of regular faculty and staff employee salary adjustments to base pay that result in a cumulative compensation increase of more than 25% during the period July 1, 2026, to June 30, 2027.

This report will be due on Friday, July 30, 2027, and should exclude changes to FTE unless the change in pay is not in proportion to the change in FTE.

Suggested reporting formats for each of these reports, the affirmation letter, and other guidance will be provided to each university's chief human resources officer. If you have any questions regarding these guidelines and reporting requirements, please contact Tom Hoffacker via email at [thoffacker@usmd.edu](mailto:thoffacker@usmd.edu). Thank you.

cc: Ellen Herbst  
Vice Chancellors  
Vice Presidents for Administration and Finance  
Provosts and Chief Academic Affairs Officers  
Systemwide Human Resources Committee (SHRC)

Dan Chanen  
Tom Hoffacker  
Lorri McMann  
Colleen Auburger