



OFFICE OF THE PRESIDENT

May 3, 2023

MEMORANDUM

TO: Vice Presidents and Assistant President and Chief of Staff

FROM: Darryll J. Pines, President 

SUBJECT: FY 2024 Presidential Salary Guidelines

The FY 2024 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 part-time and contingent personnel, and to all proposed salary increases through FY 2024. The only categories of compensated individuals exempted from the guidelines are 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, 2023 and continue through FY 2024:

1. The FY 2024 state budget includes funding for regular employee merit increases. The campus receives the equivalent of 2.5% of its state-supported salary base to award these types of increases in recognition of meritorious performance. All nonexempt staff who receive a PRD rating of “Meets Expectations” must receive a 2.5% increase. For exempt employees, the amount of the increase should be based on employee performance during the FY 2023 PRD period.
2. The FY 2023 appropriation includes a 2.0% cost-of-living adjustment (COLA) for all regular faculty and staff effective July 1, 2023. Units may elect to provide a COLA to contractual faculty, contingent staff employees, postdocs and fellows, if funding is available.
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,” “provost,” or “dean” in their title.
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 with “vice president,” “provost,” or “dean” in their title.

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 will increase to \$15.00 per hour effective January 1, 2024 per Governor Moore. The new minimum wage has been in effect for all campus employees, including student employees and general assistants, since January 1, 2023 per President Pines' announcement on August 29, 2022.
7. The minimum for all pay ranges on the Nonexempt and Exempt Salary Structures is \$15.00 per hour.

Salary Structures

- A. Exempt Salary Structure: No changes.
- B. Nonexempt Salary Structure: If the Board of Regents votes in June 2023 to adjust the nonexempt salary structure for Fiscal Year 2024, employees whose pay falls below the new minimum of each pay range will receive a pay increase to the new minimum of the range.
- C. Graduate Assistants stipends should be provided as described in the *Minimum Stipend Levels for Graduate Assistants and Fellows for FY 2024* memo, which is attached.
- D. Any adjustment to the Salary Structures will be effective July 1, 2023.

FY 2024 Salary Setting Guidelines

Salary adjustments are appropriate for promotions, within band adjustments, reclassifications, COLA, merit, 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 should utilize the [Salary Increase 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.

Merit Increases

Merit increases will be based on the employee's past performance during a period ending no later than May 19, 2023. Employees who consistently meet the standards of performance during this period for their positions shall qualify for a merit increase. Employees must receive at least a "Meets Expectations" rating to qualify for a merit increase.

Regular nonexempt staff who receive a PRD rating of "Meets Expectations" and who have successfully completed their original probationary period by July 1, 2023 will receive a merit

increase of 2.5%. Please contact University Human Resources (UHR) with questions about a nonexempt employee's eligibility for the 2.5% increase.

According to USM Policy, nonexempt employees are eligible to receive a merit increase only up to the maximum of their respective pay range. A unit may provide applicable merit increases above the maximum of an employee's pay range in the form of a one-time payment that is not added to the employee's base salary.

The state funds received and allocated to divisions are a pool without a specific amount or percentage aligned to the campus' performance ratings. Supervisors may award merit increases as a percentage of salary, a flat dollar amount, or using another methodology that is consistent with unit merit pay plans and standards and any relevant collective bargaining agreement requirements. Different approaches may result in individuals receiving merit adjustments that are more or less than 2.5% of their salary. It is important to note that the President must certify to USM that the **overall** salary and wage budget of the institution has not increased by more than 2.5%, so large individual merit increases need to be offset elsewhere to enable certification.

Units may elect to provide a merit increase to contractual faculty and contingent staff employees as a matter of discretion and with available funding.

Cost of Living Adjustment (COLA)

All USM regular faculty and staff employees who are in a "paid status" on June 30, 2023 will receive a 2.0% COLA effective July 1, 2023. Contractual faculty and contingent staff may receive COLA at the discretion of the unit and with available funding, through an execution of an addendum to their contracts.

Retention and Equity Increases for Faculty and Staff

Retention and equity increases to faculty and operationally critical staff has 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 and 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 2024 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 employee is being recruited seriously by another institution, or a search firm for an institution, at a compensation level likely to exceed the faculty member's current compensation;

- Documentation that the department has experienced retention problems in recent years that likely will result in the loss of a valuable faculty employee, if a retention adjustment is not made; or
- Other strong evidence 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 preemptive, 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* 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 to the Assistant Vice President and Chief Human Resources Officer for approval. Retention and equity increases for staff with "vice president," "provost," or "dean" in their title or who are direct reports to a vice president will need to be recommended and forwarded by the appropriate Vice President for review for final approval by the President.

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 staff retention offers and other significant salary adjustments to the USM. These reports are subject to review by Maryland's Department of Legislative Services. Any questions regarding staff

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retention offers should be directed to Ms. Rythee Lambert-Jones at 301-405-5649 or via email at rljones7@umd.edu.

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Enclosure – *FY 2024 USM Salary Guidelines*

Minimum Stipend Levels for Graduate Assistants and Fellows for FY 2024