

OFFICE OF THE PRESIDENT

July 22, 2020

MEMORANDUM

TO: Mary Ann Rankin, Senior Vice President and Provost
Carlo Colella, Vice President for Administration and Finance
Georgina Dodge, Vice President for Diversity and Inclusion
Jeffrey Hollingsworth, Vice President and Chief Information Officer
Laurie Locascio, Vice President for Research
Patricia Perillo, Vice President for Student Affairs
Michael Poterala, Vice President for Legal Affairs and General Counsel
Jackie Lewis, Vice President for University Relations
Michele Eastman, Assistant President and Chief of Staff

FROM: Darryll J. Pines, President 

SUBJECT: FY 2021 Salary Guidelines

The FY 2021 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 2021. 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 features of the salary guidelines that take effect July 1, 2020 and continue through FY 2021:

1. The FY 2021 appropriation does not include a merit increase.
2. The FY 2021 appropriation includes a two percent (2.0%) Cost of Living Adjustment (COLA) to be made on January 1, 2021 for all regular faculty and staff and for all graduate students. Units may elect to provide a COLA to contractual faculty and contingent staff employees. **Recognizing the economic impact of the COVID-19 pandemic, we expect that the FY 2021 budget will be subject to future reductions. These reductions could affect the 2.0% COLA.**
3. To further address budget shortfalls, the Board of Regents has authorized Presidents to implement employee salary reduction plans. Detailed information will be provided when the campus plan is finalized.

4. Salary adjustments may be made for promotions, within band adjustments and reclassification, equity, and retention of faculty or operationally critical staff after full consideration of potential future budgetary restrictions, loss of revenue, and additional costs resulting from the COVID-19 pandemic, and subject to the approval of the appropriate Vice President and/or President.
5. The minimum wage of all Maryland workers will increase to \$11.75 per hour starting January 1, 2021. The new minimum wage will apply to all campus employees, including student employees and general assistants.

Salary Structures

- A. Exempt Salary Structure. The current salary structure, implemented on April 1, 2019, remains in effect until December 31, 2020.
- B. Nonexempt Salary Structure. The current salary structure remains in effect.

FY 2021 UMD Salary Implementation Guidelines

Per Provost Rankin's message of April 2, 2020, a hiring freeze for all faculty and staff is in effect. This action is taken with great regret due to the very serious realized and potential financial impact of the COVID-19 situation on the University's funding in Fiscal Year 2020, 2021 and beyond. We anticipate unprecedented costs related to our transition to online instruction and other mandated changes; it is also likely that we will see significant budget cuts in 2021. Units must consider all pending hires and salary adjustments in this context. See detailed guidance on the [hiring freeze](#).

Salary increases made for promotions, within band adjustments and reclassification, equity, and retention of faculty or operationally critical staff will be allowed under limited circumstances. 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 10% or more. Certain salary requests also may require approval by the President including:

- All proposed faculty retention increases and any proposed retention increase for a staff employee with "vice president", "provost", or "dean" in their title.
- Proposed equity adjustment for an employee with "vice president", "provost", or "dean" in their title.
- All total salary increases of 10% or more. Promotions are included.

Requests requiring salary approval should utilize the Salary Increase Request Form and be forwarded to the appropriate Vice President's Office. As needed, please forward signed request forms to the Office of the President for final approval.

Units should ensure that salaries for new employees do not create significant salary inequities when compared with the salaries of current faculty or staff.

Retention Increases for Faculty and Staff

Our ability to continue offering retention increases to faculty and operationally critical staff is allowed provided that units approve increases judiciously.

- 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. The online *Salary Increase Request Form* should be processed electronically through the Electronic Forms (ELF) on ARES: www.ares.umd.edu to request approval. Faculty should not be notified of the proposed FY 2021 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 member is being recruited seriously by another institution at a compensation level likely to exceed the faculty member's current compensation; or
- 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 in imminent risk of losing a faculty employee in the absence of a retention adjustment.

- B. Staff Retention: A limited number of staff retention increases may be granted in FY 2021.

To support a 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 recruited seriously by another employer or a search firm for an external employer, at a compensation level likely to exceed the employee's current compensation; or
- Attestation from the department head or 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 employee and/or position must be deemed "operationally critical" defined as:

- The employee having specialized and/or unique skills or experience that cannot be replicated without hiring a replacement at a higher salary; 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 experienced retention challenges in recent years.

A staff retention offer may be an amount up to the external job offer, or, if pre-emptive, the retention is limited to a 12% increase of the employee's current base salary.

To request approval for a staff retention 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 on to the Assistant Vice President for Human Resources for approval. Retention increases for staff with “vice president”, “provost”, or “dean” in their title will be recommended by the appropriate Vice President and reviewed for final approval by the President.

The Assistant Vice President for Human Resources 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 retention offers should be directed to Jewel Washington at x55648 or jmwashin@umd.edu.

DJP/mae

Enclosure 1 – *FY 2021 USM Compensation Guidelines and BOR Resolution*