



OFFICE OF THE PRESIDENT

October 27, 2021

MEMORANDUM

TO: Vice Presidents and Assistant President and Chief of Staff

FROM: Darryll J. Pines, President

SUBJECT: FY 2022 Presidential Salary Guidelines

The FY 2022 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 2022. 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, 2021 and continue through FY 2022:

1. The FY 2022 budget does not include merit increases or other increases to base pay for performance.
2. The FY 2022 budget does not currently include a cost-of-living adjustment.
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 of all Maryland workers will increase to \$12.50 per hour as of January 1, 2022. The new minimum wage will apply to all campus employees, including student employees and general assistants, as of this date.

Salary Structures

- A. [Exempt Salary Structure](#). The current salary structure, implemented on April 1, 2019, remains in effect.
- B. [Nonexempt Salary Structure](#). A recommendation to increase the current salary structure by 1.9% effective July 4, 2021, which is the beginning of the first full pay period in FY 2022. For FY 2023, the nonexempt salary structure will increase by 3.6% effective January 1, 2023.

FY 2022 Salary Setting Guidelines

Salary adjustments are appropriate for promotions and reclassification, 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. As previously mentioned, please forward signed request forms to the Office of the President for final approval when appropriate.

Retention Increases for Faculty and Staff

Our ability to continue offering retention increases to faculty and operationally critical staff is the result of the restraint we exercised for the past several years. The judicious use of retention increases is equally as important in FY 2022.

- 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 *Salary Increase Request form* on the Electronic Forms menu on www.ares.umd.edu to request approval. Faculty should not be notified of the proposed FY 2022 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: A limited number of staff retention increases will be granted in FY 2022. 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 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 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 has 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 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 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 increases for staff with "vice president", "provost", or "dean" in their title will need to be recommended and forwarded by the appropriate Vice President for reviewed 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 retention offers should be directed to Ms. Rythee Lambert-Jones at 301-405-5649 or via email at rljones7@umd.edu.

DJP/mae

Enclosure – *FY 2022 USM Salary Guidelines*

OFFICE OF THE CHANCELLOR

MEMORANDUM

TO: USM Presidents

FROM: Jay A. Perman, Chancellor 

DATE: May 21, 2021

RE: FY 2022 USM Compensation Guidelines

I. Introduction

The General Assembly completed the 2021 legislative session, and as a result, I can now provide guidelines for the compensation of faculty and staff members of the University System of Maryland (USM) in Fiscal Year 2022. The FY 2022 budget does not provide for cost-of-living adjustments or merit increases. Following are tools that are available to manage compensation:

- The General Assembly has placed no restrictions on the ability of institutions to provide for retention, equity and other necessary increases to faculty and staff during the coming fiscal year. As always, these types of increases should be employed only after careful consideration and with a compelling rationale.
- The nonexempt salary structures will be adjusted for Fiscal Year 2022, and employees whose pay falls below the new minimum of each pay range will receive pay increases. The exempt salary structures currently in effect will continue unchanged, at least through the end of fiscal year 2022.

The following guidelines take effect July 1, 2021 and will continue through the fiscal year. They are intended to implement the State Budget requirements related to employee compensation that will arise in FY 2022. Each President may establish institutional guidelines consistent with this document and related USM policies to ensure their appropriate administration on their campus and to address compensation processes, issues or collective bargaining requirements specific to your institution.

II. Scope

These 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 these guidelines are adjunct faculty, graduate assistants, fellows, post-docs and student employees, unless otherwise noted.

Provisions of applicable collective bargaining agreements may supersede these guidelines for those employees covered by such agreements.

III. Guidelines

A. Merit Increases

Neither merit nor other increases to base pay for performance or tenure are authorized.

B. Cost-of-Living Adjustment

No cost-of-living adjustment is currently planned.

C. Salary Structures

1. **Nonexempt Staff Salary Structure:** As mentioned above, the nonexempt structure will be adjusted for Fiscal Year 2022. At the beginning of the first full pay period after June 30, 2021, the nonexempt salary structure will be increased by 1.9%. In Fiscal Year 2023, the nonexempt salary structure will increase by 3.6% on January 1, 2023. Both structures are at [this link](#).
2. **Exempt Staff Salary Structures:** The current structures will remain in place. They are available at [this link](#) for UMB and [this link](#) for all other institutions.

D. Minimum Wage

The minimum wage for Maryland workers will increase to \$12.50 per hour starting January 1, 2022. The minimum wage applies to all USM employees, including student employees and general assistants.

E. 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 potential future budgetary restrictions, loss of revenue, and additional costs resulting from the COVID-19 pandemic:

1. Retention (to be used judiciously when necessary in order 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 Institution Awards (including Board of Regents awards for staff and faculty, and institution service awards).
7. Contract Renewal Increases.
8. Non-Cumulative Cash Bonuses.

An institution 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. Your recommendations for bonus eligibility and the bonus pool amounts available at your institution are to be sent to me for approval before July 1, 2021.

9. Non-Salary Taxable Compensation.

Increases in non-salary taxable compensation (e.g., housing and car allowances, and deferred compensation contributions) authorized by the President and approved in advance by the Chancellor.

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

F. Other Salary Adjustments

Other compensation increases generally should not be made during the fiscal year.

IV. Required Reports

The following reports are required in FY 2022 and should be sent to HR Officer Tom Hoffacker in the USM Office no later than Friday, July 23, 2021, unless otherwise stated:

A. President's Affirmation Letter

Affirms that the compensation actions taken for FY 2022 are consistent with the guidelines established herein and affirms that contracts are handled appropriately as stated in USM Policy VII-10.0, Policy on Board of Regents Review of Certain Contracts and Employment Agreements.

B. Updated List of Institution Key Staff Employees

This must include, at a minimum, institution officers, direct reports to the President, and individuals whose contracts or other compensation agreements fall under the USM Policy VII-10.0, Policy on Board of Regents Review of Certain Contracts and Employment Agreements and must contain compensation data for FY 2021 and FY 2022.

C. Report of Significant Salary Adjustments

Provides details of Regular faculty and staff employee salary adjustments to include any adjustments to base pay that result in a cumulative compensation increase of more than 12% from July 1, 2021 to June 30, 2022.

This report will be due on Friday, July 22, 2022. The report 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, an affirmation letter template, and other guidance will be provided to the SHRC. If you have any questions regarding these guidelines and reporting requirements, please contact Tom Hoffacker via email at thoffacker@usmd.edu. Thank you.

cc: Ellen Herbst, USM
Vice Chancellors
Vice Presidents for Administration and Finance
Provosts and Chief Academic Affairs Officers
Systemwide Human Resources Committee (SHRC)
Carolyn Skolnik, USM
Tom Hoffacker, USM
Lorri McMann, USM
Monica West, USM