

## **Guidelines for FY20 Faculty Merit Pay Increases**

At the direction of President Muñoz, UHD has established a 2.5% merit pool for eligible faculty and staff. The goal of this merit pool is to recognize and reward meritorious performance by faculty and staff members at the institution, particularly as those efforts have been directed toward meeting institutional goals and objectives, and in accordance with institutional strategies, mission, and vision.

Faculty merit increases will be distributed in accordance with institutional policy PS 10.A.05, and faculty are directed to that policy (particularly section 3.1.5) for policy-related details. In line with PS 10.A.05, faculty salary increases will be based on scores received as part of the annual Faculty Performance Evaluation process (with a baseline 3-year weighted rolling average, as established in policy).

### **Eligibility**

All full-time faculty members in good standing at UHD are eligible for merit consideration, except those who fall into the following categories:

- Faculty new to the university who do not yet have an annual performance evaluation on file.
- Faculty who are not eligible for merit as a result of some documented administrative action.
- Faculty who failed to complete all mandatory training required during fiscal year 2019, as detailed in SAM 02.A.26.
- Faculty who have outstanding financial obligations to any of the universities within the University of Houston System.
- Visiting Faculty, part-time faculty, adjunct faculty, and any others who are not considered active, full-time faculty members in good standing are not eligible.

### **Methodology**

In accordance with the principles provided in PS 10.A.05 section 3.1.5, each dean will be provided with a report from the Office of the Provost that lists the faculty in each cohort/department of the college, rank-ordered according to three-year weighted rolling averages. Deans will also be provided with the total amount of merit that can be awarded across each department, where the total of each department, and the aggregate total of the entire college, will equal 2.5% of the total faculty salary pool of each cohort/department.

Faculty will generally fall into one of five tiers, as determined by the merit categories corresponding to their individual three-year weighted averages. For convenience, these tiers will be color-coded on the report provided to you by the Office of the Provost:

Tier One	6-7.00 range
Tier Two	5-5.99 range
Tier Three	4-4.99 range
Tier Four	3-3.99 range
Tier Five	0-2.99 range

The total available merit pool for each cohort will be divided into two halves. The first half will be distributed in fixed allocations, in a descending progression from Tier One through Tier Four. These fixed allocations will be generated according to the following formula:

$$12/5(T1n)x + 10/5(T2n)x + 8/5(T3n)x + 7/5(T4n)x + 0(T5n)x = \frac{1}{2} \text{ Total Available Cohort Pool}$$

This formula will ensure that all members of the cohort with a 3-year weighted average of 3.0 or better will receive some kind of merit increase, with fixed allocations increasing with each higher tier. These fixed allocations will be identified in the column titled “Fixed Amount” on the spreadsheet provided to you.

The remaining 50% of the available cohort merit pool (the “variable” pool) for each cohort/department will be distributed by deans in consultation with department chairs according to the principles found in PS 10.A.05, particularly the following section:

The chairs and Deans are responsible for ensuring that the distribution of merit is guided by the evaluation process and that the process of awarding merit is fair and transparent. The chairs and Deans will also address issues of equity in the Department and ensure that faculty with higher salaries are not appropriated a disproportionate amount of the total merit pool for the Department. (From section 3.1.5)

In order to assist with the distribution of this variable amount, the spreadsheet you receive will have suggested variable allocations driven by the same step-down progression as the fixed pool, but in this case the amounts will be keyed to percentage increases relative to individual faculty salaries. These variable allocations are provided as suggestions only: deans, in consultation with chairs, are free to adjust these variable allocations, provided that the net-change for all variable allocations is zero. However, in accordance with the policy as quoted above, deans and chairs are encouraged to make sure that adjustments in the variable allocations are done in such a way as to limit, to the extent possible or reasonable, equity and compression issues within the department. In addition, deans and chairs should try to make sure that the overall percentage increases (variable + fixed allocations) are indexed to the rank-ordered weighted averages.

The expectation is that faculty in Tier Five will receive no merit increase. Additional faculty, such as those in Tier Four, may receive no merit beyond their portion of the fixed-rate pool as described above, at the discretion of the dean in consultation with the department chair.

## **Timeline**

The intent is to conduct this merit exercise in October 2019 in time to have salary adjustments go into effect November 1, 2019, and thus payable effective December 1, 2019. The deadline for spreadsheets to be returned to Chris Rodney (either as approved, or with adjustments noted) is noon on Thursday, October 24.