



### Professional Track Faculty Merit Pay Policy

PRESENTED BY	Patricio Korzeniewicz, Chair
REVIEW DATES	SEC – August 29, 2017   SENATE – September 6, 2017
VOTING METHOD	In a single vote
RELEVANT POLICY/DOCUMENT	<a href="#">VII-4.00(A) – University of Maryland, College Park Policy on Faculty Merit Pay Distribution</a> <a href="#">UM Guidelines for Appointment, Evaluation, and Promotion of Professional Track Faculty</a>
NECESSARY APPROVALS	Senate, President

#### ISSUE

In spring 2016, the Senate Leadership and the Office of the Faculty Affairs identified a conflict between the University of Maryland, College Park Policy on Faculty Merit Pay Distribution (VII-4.00[A]) and the UM Guidelines for Appointment, Evaluation, and Promotion of Professional Track Faculty related to merit pay for professional track (PTK) faculty. The UM Guidelines require that each College develop merit pay processes for PTK faculty, but the University policy on merit pay limits eligibility to tenured and tenure-track (T/TT) faculty. In September 2016, the Senate Executive Committee (SEC) voted to charge the Senate Faculty Affairs Committee (FAC) with identifying the best ways to incorporate PTK faculty into the merit system.

#### RECOMMENDATION(S)

- The Faculty Affairs Committee recommends that the University of Maryland, College Park Policy on Faculty Merit Pay Distribution (VII-4.00[A]) be amended to incorporate PTK faculty into merit pay processes, as shown in the policy document immediately following this report. The Faculty Affairs Committee has also developed the checklist immediately following this report to be used by Colleges and units to ensure unit merit processes meet the revised guidelines in the University’s merit pay policy.
- The Faculty Affairs Committee recommends that each unit review the revised policy and either develop a merit pay plan for PTK faculty or revise the unit’s existing merit pay plan to incorporate PTK faculty. As noted in the policy, merit pay plans should be submitted to the Senate Faculty Affairs Committee for review by August, 2018.
- In order to allow for the accurate recording and tracking of merit increases, the Faculty Affairs Committee recommends that the University’s payroll system be updated to allow units to indicate that a salary increase has been made due to a change in its base-line pay scale for instructional faculty. The committee recommends "Market Adjustment" be added to the list of reasons for salary changes within the payroll system.

## **COMMITTEE WORK**

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The FAC began reviewing its charge in September 2016. The FAC consulted with the Office of Faculty Affairs, University Human Resources (UHR), and the Office of General Counsel (OGC) throughout its review. The FAC met with the Council of Deans and received feedback from department chairs. It reviewed the current policy and UM Guidelines, and reached out to specific Colleges and units representing different disciplines and unit sizes to gather information on how units are currently assessing excellence for merit among PTK faculty.

The FAC focused its review on how, where, and in what ways PTK faculty should be included in the merit system, as well as how to reconcile existing policies with each other and with current practices. The FAC concluded that it is important that PTK faculty have a consistent, fair, transparent merit review process that assesses and acknowledges performance and allows flexibility for units and Colleges to align merit processes with local needs.

In its review, the FAC found that many Colleges and units have already developed systems for merit reviews for PTK faculty. Practices for merit reviews vary across campus; units vary on whether one process covers all faculty or whether individual processes have been developed for specific groups of faculty; whether PTK faculty are reviewed by a committee or by those directly familiar with their work; and on the size and composition of committees in the units that use them. The FAC determined that the structure of the process should be left up to the unit, based on existing procedures, the relationship of the faculty within the unit, and the variance in faculty activity. However, the FAC also acknowledged the need for standard principles. In order to create consistency and ensure equity across units and Colleges, the FAC determined that PTK faculty with appointments of 50% FTE and above should be eligible for merit pay, and units should have flexibility to extend merit pay to faculty with appointments of less than 50% if they so choose.

The FAC considered available data on merit pay for PTK faculty and discussed administrative concerns at length. The committee found that technical realities related to how salary increases are entered into the payroll system inadvertently makes it impossible to collect complete and accurate data on how many PTK faculty are currently incorporated into a unit merit pay system. The FAC developed a recommendation to allow better tracking of this information over time. The FAC also considered budgeting strategies that the University is currently exploring to address concerns related to funding for merit pay. The FAC was encouraged to learn of the administration's actions in this area, and suggested that the administration continue exploring solutions to improve funding for merit pay.

## **ALTERNATIVES**

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The Senate could choose not to approve the policy. However, there would remain an inconsistency between existing policy documents and guidance.

## **RISKS**

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There are no risks to the University.

## **FINANCIAL IMPLICATIONS**

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Financial resources will be needed to provide merit pay to PTK faculty.



## Professional Track Faculty Merit Pay Policy

### 2016-2017 Committee Members

**KerryAnn O’Meara** (Chair)  
**John Bertot** (Ex-Officio Provost’s Rep)  
**Michele Eastman** (Ex-Officio President’s Rep)  
**Madlen Simon** (Ex-Officio CUSF Rep)  
**Jewel Washington** (Ex-Officio Director of Human Resources Rep)  
**Leigh Ann DePope** (Faculty)  
**Devin Ellis** (Faculty)  
**Katie King** (Faculty)  
**Patricio Korzeniewicz** (Faculty)  
**Stefanie Kuchinsky** (Faculty)  
**Brooke Liu** (Faculty)  
**James McKinney** (Faculty)

**Shirley Micallef** (Faculty)  
**Larry Witzleben** (Faculty)  
**Jianhua Zhu** (Faculty)  
**Errica Philpott** (Exempt Staff)  
**Lu Liu** (Graduate Student)  
**Deirdre Quinn** (Graduate Student)  
**Christian Knapp** (Undergraduate Student)

### Date of Submission

**August 2017**

## BACKGROUND

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In spring 2016, the Senate Leadership and the Office of the Faculty Affairs identified a conflict between the University of Maryland, College Park Policy on Faculty Merit Pay Distribution (VII-4.00[A]) and the UM Guidelines for Appointment, Evaluation, and Promotion of Professional Track Faculty related to merit pay for professional track (PTK) faculty. The UM Guidelines require that each College develop merit pay processes for PTK faculty, but the University policy on merit pay limits eligibility to tenured and tenure-track (T/TT) faculty. In September 2016, the Senate Executive Committee (SEC) voted to charge the Senate Faculty Affairs Committee (FAC) with identifying the best ways to incorporate PTK faculty into the merit system.

## CURRENT PRACTICE

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The University of Maryland, College Park Policy on Faculty Merit Pay Distribution (VII-4.00[A]) establishes procedures for considering faculty achievement and distributing merit based on performance. The policy is limited in eligibility; in the policy, “The term “faculty” is defined as tenured/tenure-track faculty and permanent status/permanent status track library faculty.” However, in spring 2015, the University Senate, the President, and the Chancellor of the University System of Maryland (USM) approved the UM Guidelines for Appointment, Evaluation, and Promotion of Professional Track Faculty, which state that “Policies on merit pay for PTK faculty shall be incorporated either into the unit’s existing merit pay policy, or into the policies and procedures for appointment, promotion, and evaluation of PTK faculty” (see Senate Document #14-15-09 for more information). The approval of these guidelines created an inconsistency, in that the University expects PTK faculty to be eligible for merit pay, but the University’s policy on merit pay expressly excludes PTK faculty. As a result of the conflict, there is no current structure for the implementation of the stipulation in the UM Guidelines regarding merit pay. Despite the lack of a defined structure, many Colleges and units currently include PTK faculty in a merit review process. To ensure that current practices align with University policy, and that PTK faculty are provided a fair and transparent merit review system, the FAC began to study the issues related to PTK merit pay during the 2016-2017 academic year.

## COMMITTEE WORK

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The Faculty Affairs Committee (FAC) began reviewing its charge immediately upon receiving it in September 2016. The FAC consulted with the Office of Faculty Affairs, University Human Resources (UHR), and the Office of General Counsel (OGC) throughout its review. The FAC met with the Council of Deans twice at the request of the Provost, and received feedback from department chairs. It reviewed the current policy and UM Guidelines, and reached out to specific Colleges and units representing different disciplines and unit sizes to gather information on how units are currently assessing excellence for merit among PTK faculty.

In 2015, the FAC, the Senate, the President, and the Chancellor affirmed the decision to allow PTK faculty to be eligible for merit in their affirmation of the UM Guidelines. Therefore, the FAC focused this review on how, where, and in what ways this inclusion in the merit system should be fostered. The committee considered how merit increases, when funds are available, should be distributed, as well as how to reconcile existing policies with each other and with current practices. As it considered the issue of PTK merit pay, it drew four overall conclusions, each of which is described in detail below as the basis for the committee's recommendations:

- Like with T/TT faculty, it is important that PTK faculty have a consistent, fair, transparent merit review process that assesses and acknowledges performance.
- Most units on campus already provide merit reviews for PTK faculty; some reviews are part of an existing process that includes both PTK and T/TT faculty, and some reviews are done in processes designed specifically for PTK faculty in the unit. Rather than a one size fits all approach, the FAC affirmed the importance of maintaining College and department autonomy in order to align merit process for PTK faculty with local needs.
- To align PTK merit pay processes with other benefits and create some uniformity across campus, the FAC agreed that a minimum eligibility threshold should be set, where PTK faculty with appointments of 50% FTE and greater should be eligible for merit pay, with units having the flexibility to open the process to those with appointments at lower FTEs at their discretion.
- The FAC explored data regarding the number of PTK faculty currently covered by the merit pay system and strategies that could be taken to include more PTK faculty on state lines and improve the system of tracking merit raises.

During its review, the FAC considered the principles and values the Task Force on Non-Tenure Track Faculty suggested the University adopt in all issues relevant to PTK faculty (see Senate Document #12-13-41 for more information). A significant concern repeatedly found by the Task Force was that decisions on merit and other appointment-related issues seemed to be made arbitrarily. The Task Force urged the University to focus on principles of inclusion and engaging and supporting excellence as it moved forward on issues that affect PTK faculty. The FAC recognizes that its work on this charge supports the University's continued development of policies and procedures that adequately meet the needs of PTK faculty, and seeks to improve equity in the University's evaluation, compensation, and recognition processes.

In addition, as it developed revisions to the Policy on Faculty Merit Pay Distribution, the FAC attempted to preserve the existing process for T/TT faculty, while creating a system for PTK faculty that would align with or operate in parallel to the T/TT faculty process.

### **Flexibility Needed in Merit Review Processes**

The FAC received information from eleven Colleges and more than ten additional units that have existing processes for reviewing PTK faculty for merit pay. Examples of best practices in merit pay for PTK faculty identified by the FAC can be found in Appendix 2.

While many units have developed a system for merit reviews for PTK faculty, practices related to those reviews vary widely across campus. In particular, units vary on whether one process covers all faculty or whether individual processes have been developed for specific groups of faculty; whether PTK faculty are reviewed by a committee or by those directly familiar with their work; and on the composition of committees in the units that use them. Many units stressed that their process was developed with specific constraints in mind. In considering current processes and speaking with unit representatives, the FAC determined that in many cases, variation was necessary due to the different cultures and needs of the individual units. The FAC agreed that a one-size-fits-all approach for PTK faculty merit pay processes would not be appropriate. The committee felt the structure of the process should be left up to the unit, based on any existing procedures or practices, the relationship of the faculty within the unit, and the variance in faculty activity.

### **Consistency in Implementation**

While the FAC recognized the need for autonomy, it also acknowledged that there should be some principles that should be followed by all units on campus. The FAC considered the differences in PTK faculty appointments as it considered appropriate mechanisms for merit pay. The FAC was also asked to consider how best to incorporate merit policy information for all full-time and part-time professional track faculty at all percentages of appointments. The FAC felt that some standardization across campus would be needed; if the policy were silent on whether part-time faculty were to be eligible for merit pay, there could be wide variation among units within a College or among Colleges, which could create issues in terms of equity and consistency of implementation. The point was made by several stakeholders that many, if not most, benefits are available to all employees who are above 50% FTE. After much discussion, the FAC agreed that PTK faculty with appointments of 50% FTE and above should be eligible for merit pay, and units should have flexibility to extend merit pay to faculty with appointments of less than 50% if they so choose.

### **Data Limitations in Tracking Merit Raises for PTK Faculty**

In its review, the FAC sought data on how many PTK faculty are currently incorporated into unit merit pay processes, as a way of exploring concerns regarding the financial implications of including PTK faculty in merit pay processes. The FAC worked with UHR and the Office of Faculty Affairs, but found that technical realities related to how salary increases are entered into the payroll system inadvertently makes it impossible to collect complete and accurate data. While any salary increases based on merit would be entered into the payroll system as a merit increase, other types of non-merit based salary increases can also be entered into the payroll system as merit increases, and it is unclear how many salary increases coded as "merit" are actually merit-based. For instance, the payroll system lacks an accurate descriptor for increases due to base-line pay scale adjustments, so these adjustments are often entered into the system as merit increases, though there was no evaluation of the instructors' performance, and all instructors in the unit would receive the same increase. The FAC agreed that this system limitation undermines the ability to monitor and track merit pay across the University, which limits the University's ability to judge whether there is bias in the merit pay distribution system. In March 2017, the committee developed language to recommend that the payroll system be updated to allow units to indicate a salary increase due to a change in its base-line pay scale in order to encourage the use of "merit" codes only for merit-based increases.

UHR and the Office of Faculty Affairs were able to share with the committee data on how many faculty received a salary increase that was coded as a merit increase in the last cycle in which merit was available. The data show that of 493 instructional faculty at or above 50% FTE, 125 received an increase that was coded as a merit increase; of 637 instructional faculty below 50% FTE, 10 received an increase coded as merit. Likewise, of 1938 research faculty, 1048 received an increase coded as merit. It is unclear how many of these faculty received the salary increase following a merit review process.

### **Administrative Attention to Merit Issues for PTK Faculty**

In response to concerns on additional funding needed for merit pay, the FAC consulted with representatives from the Office of Faculty Affairs and the President's Office on budgeting strategies that the University is currently exploring to address these and related concerns. The FAC learned that the administration is revising the budget data it sends to the State of Maryland to appropriately represent PTK faculty salaries. How salaries are represented in the budget data determine whether they are included in the pool from which the total merit allocation to the University is calculated. Most T/TT faculty are on state lines, which means there is a position number associated with their appointment in the state budget. The vast majority of instructional faculty do not have individual position numbers; instead, they are all represented on the same position number. A few years ago, an object code was created for pooled lecturer salaries, and developed into a code that is included in the merit and COLA pool. Object codes can be assigned to PTK faculty appointments so that their salaries can be included in the pool that the merit calculation is based on. The Provost's Office is currently working with units to transition to using the appropriate object code for their instructional faculty. The FAC was encouraged to learn of the administration's actions in this area, and suggested that the administration continue exploring these and other solutions to improve state allocations for merit pay.

After due consideration, the FAC voted to approve its recommendations via an email vote concluding on June 30, 2017.

## **RECOMMENDATIONS**

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The Faculty Affairs Committee recommends that the University of Maryland, College Park Policy on Faculty Merit Pay Distribution (VII-4.00[A]) be amended to incorporate PTK faculty into merit pay processes, as shown in the policy document immediately following this report. The Faculty Affairs Committee has also developed the checklist immediately following this report to be used by Colleges and units to ensure unit merit processes meet the revised guidelines in the University's merit pay policy.

The Faculty Affairs Committee recommends that each unit review the revised policy and either develop a merit pay plan for PTK faculty or revise the unit's existing merit pay plan to incorporate PTK faculty. As noted in the policy, merit pay plans should be submitted to the Senate Faculty Affairs Committee for review by August, 2018.

In order to allow for the accurate recording and tracking of merit increases, the Faculty Affairs Committee recommends that the University's payroll system be updated to allow units to indicate that a salary increase has been made due to a change in its base-line pay scale for instructional faculty. The committee recommends "Market Adjustment" be added to the list of reasons for salary changes within the payroll system.

## APPENDICES

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Appendix 1 — Professional Track Faculty Merit Policy Checklist

Appendix 2 — Best Practices in PTK Faculty Merit Pay

Appendix 3 — Senate Executive Committee Charge on Professional Track Faculty Merit Pay Policy



## VII-4.00(A) UNIVERSITY OF MARYLAND POLICY ON FACULTY MERIT PAY DISTRIBUTION

(Approved by the President, April 13, 1992; Amended February 19, 2002 May 4, 2010; Technical Amendments August 17, 2010; Amended March 22, 2016.)

~~This administrative policy addressing faculty merit pay distribution was developed pursuant to the Report of the Merit Pay Task Force endorsed by the Campus Senate on May 22, 1991. The term “faculty” is defined as tenured/tenure track faculty and permanent status/permanent status track library faculty.~~

### I. Eligibility and Purview

- A. Merit pay processes are the purview of the unit in departmentalized Colleges and the College in non-departmentalized Colleges. Herein, where the term “unit” or “department” is used, it also refers to a non-departmentalized College. Likewise, the term “Chair” refers to a Chair, Director, or Dean of a non-departmentalized School or College, as appropriate.
- B. **Tenured/tenure-track faculty, permanent status/permanent status-track librariansy faculty, and professional track (PTK) faculty** are eligible for merit pay and should be integrated into merit pay procedures within each unit. Units may integrate all faculty into one merit pay distribution plan, or may develop separate plans for different groups of faculty. For the purposes of this policy, the term “merit pay distribution plan” or “the plan” shall be inclusive of all plans created by each unit to address merit pay for different groups of faculty.
- C. Merit pay is, by definition, distinct from cost of living adjustments and promotion increases.

### II. Administration, procedures, and policies at the Provost and Dean level.

- A. **In years when the state allocates merit funds, those funds** ~~Merit dollars~~ will be transmitted from the Provost to the Deans ~~as a percent of total salary budget~~. **Those merit funds are generally provided on formally budgeted positions as recognized by the state, subject to adjustments in overall funding as determined by the state.** A small percent of the merit increment may be maintained in the Provost's office to reward colleges which are exceptionally productive in the areas of research/scholarship/creative activity, teaching and advising, and service, or to address special problems.



B. Deans will distribute funds to **departments units** using their discretion. Deans should distribute money to reward **departments units** which are exceptionally productive in the areas of research and scholarship, creative activity, teaching and advising, and service. Deans may retain a small percentage of salary money for special problems.

**C. Administrators (e.g., Deans, Chairs, Directors) may augment the distributed state-allocated merit funds by reallocating other funds within their current salary and wage budget.**

### III. Departments

A. The Chair has the authority and responsibility to determine merit increases with the approval of the Dean. However, the Chair will be required to follow certain procedures as outlined below.

B. Each unit shall develop a merit pay distribution plan **or plans**. The plan(s) must include approval by a majority of the ~~tenured/tenure-track~~ faculty of the unit **who are affected by the plan(s)** in a secret ballot. Following approval by the faculty, each unit's merit pay distribution plan **or plans** shall be reviewed for sufficiency and consistency with ~~University merit pay this~~ policy first by the Dean and then by the Senate's Faculty Affairs Committee. ~~The plan should include the following components:~~

**C. Merit pay processes for PTK instructional faculty, tenured/tenure-track faculty, and permanent status/permanent status-track faculty shall be conducted by committee. Units may conduct processes either with separate committees for tenured/tenure-track faculty and PTK faculty, or by constituting one committee for all merit review processes. Each unit shall also develop appropriate procedures for the review of PTK research faculty, which may be conducted by committee or by another mechanism appropriate for the unit with approval of the department chair. For the purposes of this policy, the term "Merit Pay Committee" or "the committee" shall be inclusive of all committees created by each unit to address merit pay for different groups of faculty.**

~~1. A Merit Pay Committee.~~ The Merit Pay Committee shall be directly elected by the ~~tenure-track and tenured-~~ **affected** faculty and shall ~~contain a distribution of faculty include meaningful representation~~ from the ~~tenure-track and tenured affected faculty~~ ranks. ~~In the case of the Library faculty, the Merit Pay Committee shall be directly elected by the permanent status-track and the permanent status faculty and contain a distribution of faculty from the permanent status-track and the permanent status ranks.~~ Insofar as possible, the Merit Pay Committee's composition shall also reflect the gender and racial distribution and the various scholarly interests of the **department unit**. It is recognized that this distribution may not be achievable on a year by year basis in some **departments units**, but over a period of years, a reasonable degree of representativeness should be achieved. Each year the chair shall review the makeup of the Merit Pay

Committee over the previous five years to assure that a reasonable representation has been achieved and if it has not, the chair is to take appropriate action to rectify the situation.

- a1. The Merit Pay Committee may act as an advisory committee to evaluate and rank faculty accomplishments with merit dollar distribution left to the Chair's discretion or may actually act with the Chair to distribute merit dollars. (The term *Chair* refers to a Chair, Director, or Dean of a non-departmentalized school or college.)
- b2. The Merit Pay Committee shall also be provided data and make recommendations to the department chair regarding salary equity adjustments.
- e3. The method of selection of the Merit Pay Committee should be an integral part of the merit pay distribution plan.

2D. The **merit pay plan for tenured/tenure-track faculty and permanent status/permanent status-track faculty** should include **the following components:**

1. **The** procedures for evaluation ~~that~~ **should** meet the following criteria:

- a. The evaluation procedure should evaluate and give significant recognition to contributions to teaching, research/scholarship/creative activity, and service, including advising and extension efforts or professional activities in the case of Library faculty. The method of evaluation in each of these areas should be articulated clearly.
- b. The evaluation should reflect performance over at least the immediate past three years. For years when merit pay is not available, the achievements of the faculty members will be taken into consideration for that year (or years) during the next year in which merit pay is available.
- c. Merit pay should generally be distributed in dollar increments rather than as a percentage of salary.
- d. A stipulated portion of the merit pool may be reserved for the Chair's discretionary use to address special salary problems.
- e. The Chair shall report to the Merit Pay Committee his or her final salary recommendations.
- f. Each faculty member shall receive a letter from the chair containing his/her new salary and the salary increase. The letter should identify (at least in general terms) the Merit Pay Committee's evaluation of the faculty member in the areas of teaching, research/scholarship/creative activity, and service and how this was

used to assign the merit increase. The letter shall inform the faculty member that he/she may request a meeting with the chair to receive an explanation of the merit pay decision.

3. The Merit Pay Committee and Chair will each certify that they have followed the unit's Merit Pay Distribution Plan, or will indicate areas where they have deviated with a rationale.
4. Each chair shall evaluate the salary structure of the **department unit** yearly and consult with the appropriate administrators (Dean or the Provost) to address salary compression or salary inequities that have developed in the unit.
5. **Each chair shall provide the unit with information on available sources of funds for merit increases during the merit review process each year.**
6. The Plan should include an appeals process.

**E. All merit pay distribution plans that detail processes for PTK faculty should include the following components:**

1. **Merit pay processes for PTK faculty shall include the components specified for tenured/tenure-track faculty, as stated in D.1. through D.6. above, with the exception of D.1.a. To the degree possible, unit merit pay processes for PTK faculty should operate in the same manner as the process for tenured/tenure-track faculty in the unit.**
2. **Special provisions related to PTK faculty are as follows:**
  - a. **The evaluation procedure should evaluate and give significant recognition to contributions to teaching, research/scholarship/creative activity, or service, including advising and extension efforts professional activities, in the context of the faculty member's contractual expectations. The method of evaluation in each of these areas should be articulated clearly.**
  - b. **The evaluation should reflect performance over at least the immediate past three years. PTK faculty who are currently employed and have been employed for any period of time during the immediate past three years are eligible to be considered for merit. PTK faculty assessment for merit will be based on performance and there will be no penalty for periods during which PTK faculty were not employed by the University.**
  - c. **Plans shall account for differences in PTK faculty titles and full-time or part-time status. PTK faculty with appointments of 50% or greater shall be**

eligible for merit pay. Unit plans may extend eligibility to PTK faculty with appointments of less than 50% at the unit's discretion.

- d. Plans shall address the process for handling merit reviews when the faculty member has appointments in more than one unit.

#### IIIIV. Implementation and Review

- A. Each unit will submit its plan as specified in III.B by ~~December~~ **August** 1, ~~2010~~ **2018**. Notice of approval by the Dean and the Senate Faculty Affairs Committee shall be given to the originating unit and a copy of the approved plan shall be transmitted to the Office of Academic Affairs. The unit shall post the approved plan on its web site so that its faculty can access it. **New faculty shall receive a copy of the relevant merit pay plan upon appointment.**
- B. No later than five years after ~~implementation of these recommendations~~ **approval of this policy**, a task force jointly appointed by the President and the Senate shall evaluate the effectiveness of the ~~se recommendations~~ **policy**.
- C. This policy is subject to the applicable policies of the Board of Regents, including its salary policy.