



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

(Approved by the President, April 13, 1992; Amended February 19, 2002; Amended May 4, 2010; Technical Amendments August 17, 2010; Amended March 22, 2016; Amended September 8, 2017)

### **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 librarian 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 will be transmitted from the Provost to the Deans. 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 units using their discretion. Deans should distribute money to reward 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 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 this policy first by the Dean and then by the Senate's Faculty Affairs Committee.
- 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.

The Merit Pay Committee shall be directly elected by the affected faculty and shall include meaningful representation from the affected faculty 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 unit. It is recognized that this distribution may not be achievable on a year by year basis in some 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.

1. 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.)
2. The Merit Pay Committee shall also be provided data and make recommendations to the department chair regarding salary equity adjustments.
3. The method of selection of the Merit Pay Committee should be an integral part of the merit pay distribution plan.

- D. 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 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.
  2. 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.
  3. Each chair shall evaluate the salary structure of the 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.
  4. Each chair shall provide the unit with information on available sources of funds for merit increases during the merit review process each year.
  5. 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.5. 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.

#### **IV. IMPLEMENTATION AND REVIEW**

- A. Each unit will submit its plan as specified in III.B by August 1, 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 approval of this policy, a task force jointly appointed by the President and the Senate shall evaluate the effectiveness of the policy.
- C. This policy is subject to the applicable policies of the Board of Regents, including its salary policy.