

**MEMORANDUM**

Date: January 19, 2010

To: Deans and Vice-Provosts

From: John H. Frederick 

Subject: Guidelines for adjustments to faculty compensation— revised

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The following guidelines are provided in an effort to standardize our practices with respect to adjustments made to faculty compensation. In all cases, these are meant to clarify our practices with respect to compensation policies outlined in the UTSA *Handbook of Operating Procedures* (HOP), which is the guiding document.

This memorandum provides direction for the following types of compensation adjustments:

- Supplemental Stipends — for extra work undertaken by faculty, *e.g.* as department chair
- Summer salary compensation— for university-related work performed during non-contract periods in the summer
- Merit awards— to reward meritorious performance as indicated by annual review through university-wide process
- Compression/market/equity adjustments— to address salary structure issues for a group or class of faculty, as determined by a general university-wide study
- Counter-offer for external offer— to retain our best faculty
- Recognition Awards— one-time payments or base salary adjustments to reward extraordinary performance in a particular category, such as teaching or research

For the purposes of these guidelines, a faculty member’s “base salary” will refer to her/his nine-month academic salary.

***Supplemental Stipends***

Supplemental, or “administrative,” stipends are payments made in addition to the base salary as compensation for special work-related responsibilities. Please see the HOP, chapter 4.07, section II, for university policies governing these payments.

- Stipends should be reserved primarily for those faculty given responsibility for managing and evaluating faculty and staff, specifically department chairs, assistant and associate deans.

- Stipends do not normally contribute to the percent-effort paid by the university for purposes of time-and-effort reporting. Salary supplements for department chairs, center/institute directors, and deans, if appointment is not acting or interim and extends for more than a year, may be included in the institutional base salary for purposes of time-and-effort reporting.
- Stipends *may* also be considered in situations where a service task involves an extraordinary commitment of time or effort and is critical to successful activities of other faculty or to the educational needs of students. Positions eligible for supplemental stipends presently include the following:
  - director of university-wide institute (reporting to the Council of Deans)
  - chair of research grant compliance committees: the Institutional Review Board (IRB), the Institutional Animal Care and Use Committee (IACUC), Institutional Biosafety Committee (IBC)
- Department chair stipends are governed by the Provost's memo of April 6, 2009.
- The total value of all supplemental stipends should be limited to no more than \$25,000 per year per faculty member.

### ***Summer Salary Compensation***

This form of compensation is typically paid for teaching or research activities undertaken during the summer, non-contract months.

- Research-related summer salary is generally paid from external grants/contracts, though may also be part of a startup package for new faculty.
- Teaching-related summer salary usually tied to summer school teaching and special programs—rates for compensation are determined by the colleges.
- Summer salary may also be provided for instructional development activities (*e.g.* developing new online delivery for courses) or for special activities that enhance the performance of academic units.
- Summer compensation for chairs is governed by the Provost's memo of April 6, 2009.
- The total amount of summer salary earned cannot exceed one-third of the base salary (under any circumstances).
- Compensation for May-mester teaching are considered part of summer teaching and shall count toward the one-third base salary limit that a faculty member may earn during that period.

### ***Merit Awards***

The merit award process is university-wide and is performed during the spring semester each year. Merit awards are adjustments to the base salary and are normally effective as of the following September 1. The award of merit pay is subject each year to the availability of institutional funds.

- Eligibility for merit is determined by performance as rated during annual review of faculty, staff, and administration.
- Faculty shall be eligible for consideration if they have performed at a level between “satisfactory” and “good” (2.75 on the current inverted scale) in each of the three categories of teaching, research, and service AND if they have achieved an average weighted rating between “good” and “very good” (2.25) over all the three categories for the evaluation year.
- Deans and colleges shall determine how merit pay is awarded, but must ensure that it is awarded commensurate with annual evaluation ratings— two individuals with the same rating should be rewarded equivalently. Individuals with ratings superior to those of others should receive a greater merit increase under the system employed by the college for making merit awards. For example, if the college awards merit as a percent increase, a superior rating should result in a higher percent increase.

### ***Compression/Market/Equity Adjustments***

Compression and market adjustments to the base salary are intended to alleviate issues that arise when the market for entry salaries increases at a rate faster than the university’s merit pool, leading to entry salaries near those of more experienced faculty. Equity adjustments correct for systematic inequities in compensation that can be shown to be inconsistent with the historical performance of a group of faculty.

- Salary adjustments for this purpose cannot be awarded in the absence of a general study of salaries conducted by the university or any other salary study sanctioned by the provost that takes into account general compensation statistics for the unit relative to other institutions. This includes salary analysis performed in conjunction with the Affirmative Action Plan (AAP).
- The university shall undertake periodic studies of faculty compensation no less frequently than every third year.
- Adjustments will only be made effective at the beginning of a new fiscal year (September 1) unless it is necessary to resolve an inequity identified by the AAP salary analysis or a special exception is granted by the provost or designee.
- Proposals for salary adjustments shall be made to the Provost’s Office in the spring, in advance of the fiscal year in which they would become active. The Provost must approve all salary adjustments.
- Colleges must make salary adjustments from within their existing budgets.
- Colleges that have received supplemental assistance from the university for the purpose of covering NTT salary needs in one fiscal year are ineligible to make compensation adjustments of this type the following fiscal year.

### ***Counter-Offers***

Counter-offers are adjustments to a faculty member's base salary for retention purposes when an employment offer from another institution has been made. Ordinarily, these adjustments will be effective at the beginning of the following fiscal year (September 1), though earlier adjustments may be made with provost approval under exceptional circumstances.

- Counter-offers should generally be reserved for faculty members who have achieved an overall evaluation rating in the top 20% of their department during the previous three years.
- An offer letter from another institution must be provided before a formal counter-offer is made. Informal negotiations concerning a counter-offer may take place in advance of receiving a written offer from a competing institution.
- Deans are responsible for determining whether counter-offers should be made, in consultation with the department chair and, if desired, the provost. Any financial commitments made as part of a counter-offer should be reviewed by the Provost's Office before the counter-offer is finalized.

### ***Performance Awards***

Faculty may receive internal or external one-time monetary awards recognizing extraordinary performance in teaching, research, or service. These awards are effectively "bonus" payments for superior performance. This category excludes grants awarded on the basis of an application and which require the reporting of work products, including data, reports, creative works, or other deliverables.

- Awards do not count for time-and-effort purposes and do not count against maximum supplemental stipend limits.
- For this category, awards should be made as part of an organized independent selection procedure in which various candidates/nominees are reviewed, each of whom potentially could be designated the awardee.