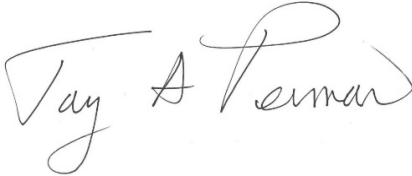


## OFFICE OF THE CHANCELLOR

## 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](mailto: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