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ADELPHI, MD 20783-1690

TO: Presidents
FROM: William E. Kirwan 
DATE: April 24, 2009
RE: Salary Guidelines for FY 2010

I. Introduction

The legislative session has now concluded and the state appropriation is nearly finalized. With regard to salary adjustments for the upcoming year, the language in the Budget Reconciliation and Financing Act of 2009, Section 14 reads as follows:

“AND BE IT FURTHER ENACTED, That, notwithstanding any provision of law, State employees employed by any entity, including the University System of Maryland, Morgan State University, and St. Mary’s College of Maryland, may not receive bonuses related to individual performance, merit increases, or cost-of-living adjustments in fiscal year 2010. This provision does not affect salaries for the constitutional officers or members of the General Assembly or increases necessary for the retention of faculty in the University System of Maryland, Morgan State University, and St. Mary’s College of Maryland.”

Essentially, the above language means that State employees, as well as University System employees, will not be receiving merit, cost-of-living increases, and performance-related bonuses in the upcoming fiscal year.

The following guidelines are intended to accommodate most circumstances that may be encountered as salary issues are considered during FY 2010. Each president should establish institutional guidelines consistent with the overall USM BOR policies and the guidelines included in this memorandum, taking care to administer the policies consistently within your institution.

Please ensure that salaries for new employees do not create significant salary inequities when compared with salaries of current Faculty or Staff employees. It is important that your institution’s working budget for FY 2010 be accurate with respect to incumbents, salaries, and positions (including percent of full-time and multiple fund sources). As a general practice, unfilled positions should be included in the working budget with sufficient funds.

II. Guidelines

These guidelines apply to all USM Faculty and Staff employees on *Regular* and *Contingent Category I and II Status*, regardless of the fund sources available to an institution. There will be no salary adjustments for FY 2010, but for the following exceptions: the retention of Faculty (see item 4 below) and those Nonexempt Staff employees in pay ranges 1, 2, and 3, who are impacted by the new salary structure. Promotion and/or reclassification increases for Faculty and Staff, and the schedule for Graduate Assistant stipends are not covered by these guidelines.

The sequence to calculate salary adjustments for Nonexempt Staff on July 1, 2009 is as follows:

Order	Item
First	Adjustments to the new minimums of revised Nonexempt Salary Structure effective July 1, 2009 as approved by the Board of Regents
Second	Any increase for reclassification or promotion that may be effective on that same date (July 1, 2009)

1. Salary Structures

- a. The revision to the *Nonexempt Staff Employees Salary Structure* was approved by the BOR effective July 1, 2009. It should be noted that the Chancellor has flexibility with the implementation of this provision. The structure will remain in effect through June 30, 2011. The new salary structure is attached and it applies to all Nonexempt Staff employees on Regular and Contingent Category I and II status. Changes have been made only to the minimum rates of pay ranges 1, 2 and 3 in order to be consistent with the minimum rate paid in the State's salary structure. There are no other adjustments to the structure due to the state of the economy and the current budget constraints.
- b. The current *Salary Structure* for *Exempt Staff* employees remains in effect through June 30, 2010.

Those institutions with a labor union representing the Nonexempt and/or Exempt Staff employees may be asked to bargain over salary structures. Please keep in mind the aforementioned comments on the salary structures when evaluating any proposals.

2. COLA – There will be no Cost-of-Living Adjustments for Faculty and Staff for FY 2010.
3. Merit Increases – There will be no merit increases for Faculty and Staff for FY 2010.
4. Retention Adjustments – *Retention adjustments shall be permitted only for Faculty.* This exception to the restriction against salary increases should be used judiciously. It is intended for faculty who are being actively recruited by other institutions or where there is compelling evidence that a preemptive action is necessary to prevent the loss of a valued faculty member. Total retention adjustments to individual salaries, including one-time payments, shall be reviewed and approved by you. Written documentation should support your decisions for these adjustments. Further, any

salary adjustments in excess of 10% shall be reported as noted below under Required Reports. I ask that you also report the total number of retention adjustments you have approved.

5. **Non-cumulative Cash Bonuses** – Non-cumulative cash bonuses (as described in BOR Policy VII-9.20, Section X., A. and B) are not permitted this year in accordance with the legislative language cited above. This principle also applies to bonuses to Exempt Staff and Faculty employees.
6. **Salary Adjustments** – With the exception of reclassifications and promotions for Staff employees, and the renewal of contracts for Contract Faculty and Staff employees, salary adjustments shall not be made during the fiscal year.
7. **Contingent Category I and II Staff Employees** – Salaries must be paid at least at the minimum of the appropriate pay range.
8. **Federal Minimum Wage** – Effective July 24, 2009, the minimum wage will increase from \$6.55/hr. to \$7.25/hr. This new rate adjustment applies to anyone employed at the USM currently earning less than \$7.25/hr.—General Assistants, Graduate Assistants, Lecturers, Student Workers, etc. For purposes of the USM payroll, the minimum wage rate change will take effect at the beginning of the pay period as follows: former BOT institutions on July 15, 2009; former UM institutions on July 19, 2009.

III. Required Reports

The following items should be submitted to Associate Vice Chancellor James E. Sansbury at the USM Office of Human Resources, no later than June 30, 2009:

1. Letter of certification that the salary actions you have taken for FY 2010 are consistent with the guidelines established herein;
2. Report of salary adjustments in excess of 10% that you have approved for the retention of Faculty, including a brief explanation in support of your decision;
3. Total number of retention adjustments granted;
4. Report of the *Ratings of Nonexempt Performance Evaluations* (see attached format);and,
5. Updated list of institution key staff containing salary data for FY 2009 and FY 2010 (see attached format).

If you have any questions, please contact James E. Sansbury at (301) 445-1966 or via email at sansbury@usmd.edu.

Attachments

cc: Joseph F. Vivona, COO/VCAF

Vice Presidents for Administration

FY 2010 Salary Guidelines

April 24, 2009

Page 4

Irv Goldstein, Sr. Vice Chancellor
Leonard Raley, Vice Chancellor

Provosts and Academic Vice Presidents
James E. Sansbury