Motion to Recommend Approval of Option 2 of President’s Merit Based Compensation Adjustment Proposal (FY23)

Originator: Faculty Senate Executive Committee

Whereas, the Senate passed a resolution in Spring 2022 recommending an across-the-board salary adjustment of 4% based on the Governor’s budget recommendation of a 4% salary pool for high education.

Whereas, the Board of Trustees approved the 3% across the board salary increase with a possible 1% one-time bonus contingent on Fall enrollments proposed by the President.

Whereas, the President indicated that the 1% one-time across the board bonus was not feasible based on the tuition revenue from the final enrollment numbers for Fall 2022.

Whereas, the President of the University of Memphis has presented a merit-based salary proposal for faculty to the Faculty Senate Executive Committee with two options for the Faculty Senate to consider. The options are detailed in the attached document, and summarized as follows:

- Option One: An increase to base salary equal to ½ percent of the base salary for faculty that received an annual performance score of 4.5 or higher.

- Option Two: A one-time merit bonus equal to one percent of the base salary for faculty that received an annual performance score of 4.5 or higher.

Be it resolved,

the Faculty Senate recommends that the President approve Option Two, as stated in the President’s proposal, which is attached.
MERIT BASED COMPENSATION ADJUSTMENT PROPOSAL (FY23)

Merit Pay rewards productive employees for their increased contributions to the University with an eye to trying to retain the best employees within the University. It creates an incentive for employees to perform at their best knowing that they will be recognized for their efforts and performance.

Guidelines for eligibility:

All Employees:

Employee must be employed by the University since January 2022 and eligible for the ATB applied as of July 1, 2022

Staff:

Employee must have received an Exceeds Performance rating as documented on their performance appraisal in the last cycle or must have received such a rating in the probationary evaluation Employee must not have on file a Performance Improvement Plan (PIP) or a Performance Management Plan (PMP) during the previous two years Recommendation is to be made by the immediate supervisor and approved by the Department Head within the guidelines established. Final approval may be required by the President or designee.

Faculty:

• Faculty with employment start dates prior to January 1, 2022 must have received an annual performance rating for 2021 of 4.5 or higher (very good/excellent to excellent).
• Faculty with employment start dates in January 2022 that were eligible for the ATB applied as of July 1, 2022 will be eligible if showing strong performance (at least very good/excellent based on supervisor’s unofficial assessment) thus far in 2022.
• Recommendation to be made by the immediate supervisor and approved by the College Dean. Final approval may be required by the Provost.

If the above criteria is met, the University would proceed with one of the following actions:

The employee’s base pay will be increased by ½ percentage point effective November 1, 2022. The employee will receive a one-time salary supplement payment of 1% of base salary. This will be processed in November and will be reflected in the eligible employees’ November 30, 2022 pay stub.

P.S. Funding for this action for FY23 will be drawn against one-time reserves and actions will be taken as part of the next budget cycle to ensure that the appropriate level resources are set aside to cover this recurring cost in future years, in the event the decision is to proceed with option 1., above.