



Georgia Institute of Technology

Office of the President

April 9, 2014

MEMORANDUM

TO: Provost, Deans, Vice Presidents, and Major Unit Heads

FROM: G.P. "Bud" Peterson, President
Georgia Institute of Technology

A handwritten signature in black ink, appearing to read "Bud Peterson", written over the "FROM:" line.

Re: Salary Adjustment Plans for Fiscal Year 2015

As you may have heard, the approved Fiscal 2015 State Budget includes a provision for limited pay increases. Per guidance from the Board of Regents and language in the Appropriations Bill, the increases are intended to provide for faculty and staff: "merit-pay and employee recruitment and retention salary adjustments." (*March 19, 2014 letter from Vice Chancellor John Brown to the Board of Regents*) The merit increases will be effective at the beginning of Fiscal 2015 per the attached guidelines.

The Institute has chosen to supplement the state funds with other Institute resources, to provide a total funding pool averaging 4.0% for the top 80% of our employees, regardless of funding source (an average 3.2% of all employees). In addition to the merit pay increases, there will be funding from Georgia Tech sources provided for an economic adjustment for eligible employees earning \$40,000 or less. You will receive separate instructions regarding these increases.

Allocations from state and other Georgia Tech sources will be provided to divisions for employees funded through General Operations/Resident Instruction (RI/Gen Ops) budgets. This applies to merit increases and the economic adjustments. All allocations for RI/Gen Ops employees will be based on filled and funded positions in the Fiscal 2014 budget (details to be provided by the Budget Office). *Equivalent pay adjustments for all other employees shall be covered through their respective funding sources.*

One of the cornerstones of our pay philosophy is the ability to recognize and reward performance. Building on our historic approach to rewards, the Institute will execute a limited salary adjustment program that will allow managers to recognize their best performers and address the most critical compensation issues facing their units.

Since college and unit level managers have a more detailed perspective about the strength of an individual employee's performance, internal equity, retention risks, and other special circumstances, we will continue to provide substantial unit autonomy in decision-making about these adjustments. Our broader interests as an Institute, and our responsibility to ensure salary competitiveness and reasonable equity across our more than 13,000 employees, do require guidelines that conform to the established policies of the Institute (attached).

Thank you in advance for your careful oversight within your unit of this important process to reward our employees. Please direct any questions on the salary adjustment guidelines to the Office of Human Resources and questions on the allocations to the Budget Office.

Fiscal 2015 Merit Salary Adjustment Guidelines

Funding Sources

- Merit funding allocations for employees funded through Resident Instruction/General Operations (RI/Gen Ops) sources will be provided at an *average of 4.0% for the top performing 80% of all employees* in proportion to the the percentage of their salaries paid by RI/Gen Ops (3.2% of all employees).
- Funding for Institute employees paid through other sources must be provided through the respective sources paying their salaries, such as sponsored, student activities, departmental sales and services, auxiliary, Georgia Tech Research Institute, and Enterprise Innovation Institute.

Effective Dates

- Increases will be effective at the start of the 2015 fiscal year (July 1, 2014 for monthly employees and June 26, 2014 for hourly employees).

Eligible Employees and Limits on Adjustments

- Permanent employees who have *satisfactory performance evaluations or better*, and *no documented performance concerns* within the past 12 months (e.g. – performance improvement plans, written warnings, counseling memos, etc. since July 1, 2013) may be considered for adjustments.
- Merit salary adjustments may not exceed 10% .
- The maximum adjustment for any administrator making \$100,000 or more is 4%.

Other Elements that Should Be Considered

- Managers should consider internal equity in making pay adjustments.
- Employees who have had a salary increase within the last six months would normally not be approved for a merit increase. Managers should carefully consider these cases and be conservative with increase requests for employees who have already received an increase.
- Any merit raises should be commensurate with employees ratings over the past several years.

Employees Not Eligible for Increases

The following employees are **not** eligible for an increase:

- a. Employees above the salary range maximum, unless approved by OHR;
- b. Employees currently within their *new hire* probationary period (6 months);
- c. Employees who have not had performance evaluations for calendar year 2013;
- d. Employees who have not completed their conflict of interest and ethics certifications for 2014;
- e. Temporary employees and contractors.

Please do not communicate increases prior to receiving approval, as increases need to be reviewed at the Institute level. Also, these guidelines are subject to final BOR approval of pay guidelines and budget allocations.

Detailed Original Budgets are due from campus units by Tuesday, April 29th. Pay adjustments must by entered into the tool provided by the Budget Office (BUD707 report) **no later than Wednesday, April 23rd**. The Budget Office will provide guidance on preparing this report and will conduct workshops for unit financial staff if assistance is needed. These pay adjustments are subject to review by the Office of the President.