




April 16, 2015

MEMORANDUM

TO: Deans, Vice Presidents/Provosts, and Major Unit Heads

FROM: G.P. "Bud" Peterson, President 

RE: Salary Adjustment Plans for Fiscal Year 2016

The approved Fiscal Year 2016 State Budget includes a provision for limited pay increases. Per guidance from the Board of Regents and language in the appropriations legislation, the increases are intended to provide for faculty and staff "merit-pay and employee recruitment and retention salary adjustments." Merit increases will be effective for fiscal year employees at the beginning of Fiscal Year 2016 per the attached guidelines.

The Institute has chosen to supplement the state funds with other Institute resources, to provide a total funding pool averaging 2.5% for the top performing 75% of our employees. The 75% limit will be applied at the college or other major division level. The careful allocation of these funds with an eye on achieved performance measures is key. Further, the Institute is reviewing current salary structures related to market alignment and anticipates additional strategic salary adjustments in Fiscal 2016 to address compression and/or retention issues.

Merit 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. All allocations for RI/Gen Ops employees will be based on funded positions in the Fiscal 2015 Original Budget as long as those positions are filled at some point during the fiscal year (details to be provided by the Budget Office). *Equivalent pay adjustments for all other employees shall be covered through their respective funding sources (see next page).*

Managers should work with their budget and human resources staff as budgets are being finalized to ensure coordination of budget allocations and merit raise decisions. Please refer to the attached guidelines to conform to established policies of the Institute.

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

Detailed Original Budgets are due from campus units by Wednesday, April 29. **Pay adjustments must be entered into the tool provided by the Budget Office (BUD707 report) no later than Friday, April 24.** The Budget Office will provide guidance on preparing this report and will conduct workshops for unit financial staff if assistance is needed.

Thank you in advance for your careful oversight within your unit of this important process to reward our employees. Please direct salary adjustment guideline questions to the Office of Human Resources and questions on allocations to the Budget Office. In addition to the attached guidelines, detailed information is available on the Budget Office's [budget development webpage](#).

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## **Fiscal 2016 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 2.5% for the top performing 75% of all employees in proportion to the percentage of their salaries paid by RI/Gen Ops.
- Funding for Institute employees paid through other sources must be provided through the respective sources paying their salaries, such as sponsored programs, student activities, departmental sales and services, auxiliary, Georgia Tech Research Institute, Enterprise Innovation Institute, Georgia Tech Athletic Association, and Alumni Association.

### Effective Dates

- Increases for academic faculty on contract will be effective August 15, 2015.
- Increases for all other faculty (12-month) and all eligible staff will be effective at the start of the 2016 fiscal year – July 1, 2015 for monthly employees and June 25, 2015 for hourly employees. This includes administrative faculty, librarians, and research faculty.
  - **NOTE:** Faculty promotion (academic and research) raises will be provided at 6% of the Fiscal 2015 salary and will be effective on the same date as merit increases (computed prior to the merit increases). More details will follow.

### Eligible Employees and Limits on Adjustments

- Permanent employees with 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, 2014) may be considered for adjustments.
- Merit salary adjustments may not exceed 10%. Any requests for exceptions must be made in writing by the dean or other division head to the appropriate Office of the President executive. If approved, these must also be submitted to the Board of Regents for approval. A faculty member who receives a promotion increase, in addition to a merit increase, is one example of a justifiable exception.

### Other Considerations

- Managers should consider internal equity in making pay adjustments.
- Employees experiencing a salary increase within the last six months (since January 1, 2015) would normally not be approved for a merit increase. Managers should carefully consider these cases and be conservative with increase requests for employees already in receipt of an increase.
- Any merit raise should be commensurate with previous, individual employee ratings over time.

### Employees Ineligible for Increases

- Employees above the salary range maximum, unless approved by OHR and the Office of the President
- Employees currently within their new hire probationary period (hired since January 1, 2015)
- Employees who have not had performance evaluations for calendar year 2014
- Employees who have not completed conflict of interest and ethics certifications for 2015
- Temporary employees and contractors