

Fiscal 2019 Salary Adjustment Guidelines

Background

The Fiscal Year 2019 State Budget (Appropriations Bill) did not contain funding for a merit increase due to other University System of Georgia financial obligations, especially funding required by the Teacher's Retirement System. Below is an excerpt from a memorandum from Executive Vice Chancellor Shelley Nickel regarding merit guidelines for Fiscal 2019:

- "... institutions are permitted to create a merit pool up to 2 percent using internal resources to provide salary increases to employees. Salary increases shall be awarded solely on merit, ranging from 0 percent to 4 percent. Institution presidents are permitted to narrow the range but may not exceed the range. All merit increases provided for fiscal year 2019 will be effective January 1, 2019."
- "Across-the-board increases are not permitted."
- "Institutions are not permitted to award any merit increase exceeding 4 percent."
- "Employees covered from other fund sources such as sponsored funds and auxiliary funds will be subject to the same guidelines noted above and must be paid from the corresponding fund source rather than state funds."

Georgia Tech has identified a limited amount of internal funding in the current budget to implement a modest merit program in Fiscal 2019, as announced in President Peterson's October 25, 2018 memo. In addition to merit raises, the following salary adjustments are being implemented. These actions do NOT preclude employees' eligibility for merit increases.

- Faculty promotion and tenure pay adjustments (already approved);
- Salary increases to bring employees up to a new campus wide minimum rate for classified staff of \$12.31/hour;
- Increases in the minimum pay level for grades of classified staff and raises to bring employees up to the new minimums, as determined by the Office of Human Resources' (GTHR's) market studies.

Funding will be provided to Resident Instruction units for employees wholly or partially funded through General Operations sources. However, the following guidelines apply to all Georgia Tech employees, regardless of funding source.

Georgia Tech's Basic Guidelines

For Georgia Tech, the following guidelines apply:

- The merit raises for eligible employees should average approximately 2% for each major campus division, regardless of the funding sources. Deans and other division heads may determine the level of aggregation within their divisions at which the averages are computed.

- Merit raises must be based on employee performance as determined by the 2017 performance appraisals (January 1, 2017 thru December 31, 2017) and can range from 0% to 4%. There will be NO EXCEPTIONS to this range per the BOR policy for Fiscal 2019.
- Merit raises will be effective for the first payroll in January 2019.
 - Monthly employees: 1/1/2019 and paid 1/31/2019
 - Bi-weekly employees: 12/20/2018 and paid 1/11/2019
- Due to the limited funding available, merit increases will not be approved for employees earning over \$150,000 per year as of the latest payroll, and those making just under \$150,000 per year and eligible for merit are only eligible to receive up to an annual salary of \$150,000.
- Only eligible employees may receive merit increases.

Managers should work with their budget and human resources staff throughout the merit process to ensure coordination of budget allocations and merit raise decisions.

Funding Sources

- Allocations for employees paid from Resident Instruction/General Operations (RI/Gen Ops) will be provided to divisions. The methodology for computing the funding provided will be determined by the Office of the President.
- *Equivalent pay adjustments for all other employees shall be covered through the respective funding sources for those individuals*, including, but not limited to, sponsored programs, student activities, departmental sales and services, auxiliaries, Georgia Tech Research Institute, Enterprise Innovation Institute, Georgia Tech Athletic Association, and Alumni Association.

Eligible Employees and Limits on Adjustments

- Regular, non-temporary employees with satisfactory performance evaluations or better, and no documented performance concerns (e.g., performance improvement plans, written warnings, counseling memos since January 1, 2017) may be considered for adjustments.
- Other considerations:
 - Managers should differentiate merit increase amounts based on performance. Across the board increases are not allowed per BOR policy.
 - Merit raises for employees making less than \$150,000 may not receive increases that would raise the salary above \$150,000, or the equivalent part-time rate.
 - Employee ratings should be commensurate with the employee's performance and achievements as documented in the performance evaluation.
 - Employee pay will be held to the fiscal year increase limits established by the Board of Regents salary administration policy, and merit will not be awarded that causes the employee to exceed the cumulative fiscal year limit (13.9% for FY19).

- An eligible employee on a temporary or interim pay is eligible to be considered for a merit adjustment, but any merit increase awarded must be based on his/her pay prior to the temporary or interim increase.
- All eligible nine and twelve month contract faculty who received Fiscal 2019 promotion/tenure raises (Academic, Research, Librarian) are eligible for Fiscal 2019 merit increases if they meet other requirements stated in this document. Each merit increase will be computed on the basis of a faculty member's current contract rate.
- Merit increases will be limited to the maximum of the employee's grade.
- Managers should consider internal equity in making merit pay adjustments.
- Managers should consider the employee's placement in the salary range.
- A Fiscal 2019 merit increase will not affect an employee's eligibility to receive a merit increase in Fiscal 2020, if a merit program is approved for next year.
- "Regular" employees in group positions will be eligible to receive an increase; however, no funding will be provided from the merit pool (see the Merit Pool Methodology document).

Employees Ineligible for Increases

The employees listed below will **not** be eligible for merit increases:

- Contractors and temporary employees, including Retired-but-Working;
- Employees making a full-time salary of more than \$150,000, or the equivalent part-time rate;
- Employees at or above the pay range maximum of their associated grade;
- Employees within their probationary periods, who were hired on or after July 1, 2018;
- Employees who have received a pay increase for a promotion or position reclassification since July 1, 2018;
- Employees who have **not** completed the 2018 training and certifications for the following: Ethical Standards, Conflict of Interest, and Cyber Security Standards.

Any information regarding individual increases should not be communicated to employees until units have been notified of final approval by Georgia Tech Human Resources (GTHR), following review at the Institute level by the Office of the President.

If You Have Questions:

- Eligibility inquiries – Contact your HR Representative.
- Funding inquiries – Contact your Budget Analyst.
- Market or Compression Adjustments – Contact the GTHR Compensation Office.

Responses to questions related to these pay actions are posted on the Budget Office's and GTHR's web sites.