




April 5, 2016

**TO:** Deans, Vice Presidents/Provosts, and Major Unit Heads  
**FROM:** G.P. "Bud" Peterson, President   
**RE:** Salary Adjustment Plans for Fiscal Year 2017

The approved Fiscal Year 2017 State Budget includes a provision for limited merit pay increases. Per guidance from the Board of Regents (BOR) and language in the appropriations legislation, these increases are intended to provide faculty and staff with "merit-based pay adjustments and employee recruitment and retention initiatives." Merit increases will be effective for fiscal year employees at the beginning of Fiscal Year 2017 per the attached guidelines. The preliminary BOR policy provides the following additional guidelines:

"Salary increases shall be awarded solely on merit, ranging from 0% to a high of 5%. Institution presidents are permitted to narrow the range but may not exceed the range. It is expected that individual merit salary increases will be reasonably distributed among employees based on the range determined by the institutional president. Institutions are required to develop a merit increase matrix demonstrating reasonable distribution. Across-the-board increases are not permitted. Institutions must request prior approval from the Chancellor in writing of any merit increases exceeding five percent."

Within Georgia Tech, the following will apply:

- The merit raises should average 3.0% for each major campus unit, regardless of the funding source. Deans and other division heads may determine the level of aggregation within their divisions at which the averages are computed.
- Pay raises must be based on employee performance as determined by the 2015 performance appraisals and can range from 0% to 5%. *Within each unit, a minimum of 20% of all employees should receive an increase ranging from 0% to 1%.*
- As stated in the BOR guidelines, any proposed raises exceeding 5% require prior approval by the Board of Regents. Within Georgia Tech any proposed increases exceeding 5% must be approved by the Office of the President or an Executive Vice President to which the division reports. Those raises must subsequently be approved individually by the BOR, after preliminary approval by the Office of the President.
- A new salary structure will be communicated by the Office of Human Resources to be effective July 1, 2016, after any merit allocations. Details will be shared within the next two weeks.

Funding allocations for raises from state and other Georgia Tech sources will be provided to divisions for employees funded through Resident Instruction/General Operations (RI/Gen Ops) budgets. All allocations for RI/Gen Ops employees will be based on funded positions in the Fiscal 2016 Original Budget, as long as those positions are filled at some point during the fiscal year. *Equivalent pay adjustments for all other employees shall be covered through the respective funding sources for those individuals.*

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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 any information regarding individual increases until you have been notified of final approval by OHR, as all increases will be reviewed at the Institute level by the Office of the President and then, by the BOR.**

Detailed original budgets, to include pay adjustments, are due from campus units by COB on **Thursday, April 21, 2016** (revised date due to BOR calendar changes). The Budget Office will provide guidance on Original Budget preparation, including the BUD707 report for pay adjustments, and will conduct workshops for unit financial staff, if assistance is requested.

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

## Fiscal 2017 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 3.0% 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 those respective sources, such as sponsored programs, student activities, departmental sales and services, auxiliaries, Georgia Tech Research Institute, Enterprise Innovation Institute, Georgia Tech Athletic Association, and Alumni Association.

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### Effective Dates

- Increases for academic faculty on a 9-month contract will be effective August 15, 2016.
- Increases for faculty on a 12-month contract and all eligible staff will be effective at the start of the 2017 fiscal year – July 1, 2016 for monthly employees and June 23, 2016 for hourly employees. This includes administrative faculty, librarians, and research faculty.
  - **NOTE:** Faculty promotion (academic and research) raises, which will be 6% of the Fiscal 2016 base salary, will be effective on the same date as merit increases. These will be computed prior to the merit increases.

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### Eligible Employees and Limits on Adjustments

- Regular, non-temporary 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, 2015) may be considered for adjustments.
- Merit salary adjustments may not exceed 5%. 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 also will then need to be submitted to the Board of Regents for approval. For faculty members receiving raises for promotion, it will NOT be necessary for the division to justify increases, as long as proposed raises do not exceed the 6% promotion increase plus a 5% merit increase (based on the revised salary level with the promotion increase).
- At least 20% of all employees within a given unit should receive an increase ranging from 0% to 1%.

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### Other Considerations

- Managers should consider internal equity in making pay adjustments.
- Employees experiencing a salary increase within the last six months (since January 1, 2016) 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.

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### Employees Ineligible for Increases

- Temporary employees and contractors
- Employees above the 2017 fiscal year JCCS salary range maximum, unless approved by OHR and the Office of the President. Details will be shared within the next two weeks.
- Employees currently within their new hire probationary period (hired since January 1, 2016)
- Employees who have **not** had performance evaluations for calendar year 2015
- Employees who have **not** completed the 2016 training and certifications for the following: Ethical Standards, Conflict of Interest, Cyber Security Standards, and Haven online sexual violence prevention training.