

# AP 10: Academic Faculty Merit Pay

## 10.1 Policy Statement

Merit pay is awarded to recognize and retain high-performing faculty who make significant contributions to the mission and goals of NS. It is earned based on their contributions, accomplishments, and ongoing high levels of performance, and must be earned each year.

A fundamental premise of an equitable merit system is that it is built upon a sound and valid performance management system that is perceived as being fair, equitable, measurable, and objective.

Merit pay is administered by the Division of Academic Affairs based on recommendations by department chairs (as applicable) and deans. The President makes final decisions regarding awards and the amount given to each eligible faculty member, based on the recommendation of the Provost.

## 10.2 Establishing a Merit Pool

NS will establish a merit pay pool of at least 1% of all eligible academic faculty salaries for the purpose of awarding merit pay based on performance in the prior evaluation year.

### 10.2.1 Eligible Faculty Groups

Faculty must have a start date of no later than September 30 of the fiscal year to be eligible to receive merit pay. Part-time instructors and faculty on temporary/emergency contracts are not eligible. In addition, faculty who are not continuing their employment at NS for the next fiscal year cannot receive merit pay.

## 10.3 Salary Adjustment Procedures

Merit pay is added to the IBS when calculating the salary for the new fiscal year. Any cost-of-living adjustment (COLA) is calculated after the merit increase.

## 10.4 Criteria for Earning Merit Pay

Annual reviews are the basis for merit pay increases. Annual reviews should provide enough information to allow for full and fair evaluation of faculty.

Merit pay recognizes, rewards, and reinforces exemplary performance in teaching, librarianship, and/or other professional duties (OPD), which can enhance retention. Merit pay is awarded to faculty who receive a rating of “commendable” or “excellent” in

teaching, librarianship, or OPD. Faculty must also receive a rating of “satisfactory” or higher in scholarship (for tenure-track and tenured faculty) and service. Faculty cannot earn merit pay if they receive a rating below “commendable” in teaching, librarianship, or OPD or a rating of “unsatisfactory” in any category.

Annual reviews are considered confidential and not a matter of public record. Once awarded, the amount of the merit increase is a matter of public record.

## 10.5 Award Process

Merit increases are awarded once per year. Increases go into effect on July 1 and first appear on August paychecks. The available merit pool, the number of shares, and the value per share will be provided to campus by July 1.

Teaching, librarianship, and/or OPD is the key category for awarding merit pay, and its contribution to merit determinations has greater weight than other areas. Chairs and/or deans submit annual evaluations to the Provost. If an academic faculty member does not submit self-assessment materials for evaluation, the faculty member is ineligible for merit pay for that year. If a supervisor fails to complete an annual review, the faculty member may submit their self-assessment to the chair or dean’s direct supervisor for evaluation; that evaluation will determine whether they earned merit pay.

The Vice President of Finance and Business Operations and/or AVP of Human Resources is responsible for calculating the amount awarded per share. This amount is calculated by adding up the total number of shares, then dividing the academic faculty merit pool by the number of shares.

The calculation includes self-supporting and state-supported positions. Grant, contract, and other self-supporting funding sources should be used to pay merit pay and associated fringe costs for their faculty. If self-supporting funding cannot cover merit pay, the increase will not be awarded to those positions.

### 10.5.1 Determining the Academic Faculty Merit Pool

The merit pool is calculated based on the IBS (prorated for FTE) of eligible positions. The Office of Human Resources will generate a report from Workday as of September 30 and will work with the Finance and Budgets Office to determine the merit pool by October 31 of each year. Fringe costs are not included in merit pool calculations.

### 10.5.2 Distributing Merit Shares

In support of NS’s focus on excellence in teaching, librarianship, and/or OPD, academic faculty with a rating of “excellent” in this category receive double shares (4 total) for this category. Service is counted twice for non-tenure-track faculty. The sum for each faculty member makes up their total evaluation

shares. A rating of “satisfactory” in scholarship and/or service earns 0 shares.

Excellent: 2 shares (teaching, librarianship, OPD = 4 Shares)  
Commendable: 1 share  
Satisfactory (service/scholarship): 0 shares

### 10.5.3 Merit Calculations for Faculty on Sabbatical

Merit pay for faculty on sabbatical is based on the previous year’s annual review and calculated using their IBS (prorated for FTE).

### 10.5.4 Sample Calculations

#### **Example of Merit Pool Calculation**

If 50 academic faculty made \$70,000, the total IBS pool = \$3,500,000. The academic faculty merit pool would be  $\$3,500,000 \times 1\% = \$35,000$ .

#### **Example of Merit Share Distribution**

Each faculty member is assigned shares for teaching, librarianship, and/or OPD, scholarship (for tenure-track and tenured faculty), and service. For non-tenure-track faculty, service is counted twice and scholarship is not included.

The value of a share is calculated by dividing the merit pool by the sum of total evaluation shares.

*Share Value* = merit pool / total evaluation shares for all academic faculty

In a hypothetical year, if the annual review ratings are as follows:

20 faculty with excellent (8) = 160 shares

30 faculty with commendable (4) = 120 shares

Total evaluation shares = 280

Then merit pay would be calculated as:  $\$35,000$  merit pool / 560 Shares = \$125 per Share

#### **Example of Earned Merit Pay**

	<b>Teaching, Librarianship, and/or OPD</b>	<b>Service (x2 for Lecturers)</b>	<b>Scholarship (Tenure-track and Tenured Faculty)</b>	<b>Total Evaluation Shares</b>	<b>Merit Pay</b>
<i>TT Faculty A</i>	Excellent (4)	Excellent (2)	Excellent (2)	8	\$1,000
<i>TT Faculty B</i>	Excellent (4)	Excellent (2)	Commendable (1)	7	\$875
<i>TT Faculty C</i>	Excellent (4)	Commendable (1)	Excellent (2)	7	\$875
<i>TT Faculty D</i>	Excellent (4)	Commendable (1)	Commendable (1)	6	\$750
<i>TT Faculty E</i>	Excellent (4)	Excellent (2)	Satisfactory (0)	6	\$750
<i>TT Faculty F</i>	Excellent (4)	Satisfactory (0)	Excellent (2)	6	\$750
<i>TT Faculty G</i>	Excellent (4)	Commendable (1)	Satisfactory (0)	5	\$625
<i>TT Faculty H</i>	Excellent (4)	Satisfactory (0)	Commendable (1)	5	\$625
<i>TT Faculty I</i>	Commendable (1)	Excellent (2)	Excellent (2)	5	\$625
<i>TT Faculty J</i>	Excellent (4)	Satisfactory (0)	Satisfactory (0)	4	\$500
<i>TT Faculty K</i>	Commendable (1)	Excellent (2)	Commendable (1)	4	\$500
<i>TT Faculty L</i>	Commendable (1)	Commendable (1)	Excellent (2)	4	\$500
<i>TT Faculty M</i>	Commendable (1)	Commendable (1)	Commendable (1)	3	\$375
<i>TT Faculty N</i>	Commendable (1)	Excellent (2)	Satisfactory (0)	3	\$375
<i>TT Faculty O</i>	Commendable (1)	Satisfactory (0)	Excellent (2)	3	\$375
<i>TT Faculty P</i>	Commendable (1)	Commendable (1)	Satisfactory (0)	2	\$250
<i>TT Faculty Q</i>	Commendable (1)	Satisfactory (0)	Commendable (1)	2	\$250
<i>TT Faculty R</i>	Commendable (1)	Satisfactory (0)	Satisfactory (0)	1	\$125
<i>NTT Faculty S</i>	Excellent (4)	Excellent (4)	--	8	\$1000
<i>NTT Faculty T</i>	Excellent (4)	Commendable (2)	--	6	\$750

	Teaching, Librarianship, and/or OPD	Service (x2 for Lecturers)	Scholarship (Tenure-track and Tenured Faculty)	Total Evaluation Shares	Merit Pay
<i>NTT Faculty U</i>	Excellent (4)	Satisfactory (0)	--	4	\$500
<i>NTT Faculty V</i>	Commendable (2)	Excellent (4)	--	6	\$750
<i>NTT Faculty W</i>	Commendable (2)	Commendable (2)	--	4	\$500
<i>NTT Faculty X</i>	Commendable (2)	Satisfactory (0)	--	2	\$250

## 10.6 Notice of Merit Award

Pay adjustments are visible in Workday.

The date of notification of merit awards for purposes of review and grievance will be the latter of (a) the first day of the fall semester or (b) the day the merit list is released to campus. The merit list is a public record subject to disclosure.

## 10.7 Suspension of Merit Pay and NSHE Reporting

The provisions of this policy may be suspended for NS or NSHE as a whole. Requests for suspension must be presented to the Board of Regents with justification and require approval of the BOR. NS reports annually to the BOR regarding how policies covering merit pay have been met (NSHE Handbook Title 4, Chapter 3, Section 50).

## 10.8 Review of Increases

Academic faculty members who disagree with their merit award may seek review following the grievance process in the NS Bylaws.

## 10.9 Related Information

- [NSHE Code Chapter 5](#), Section 5.12 and 5.16
- [NSHE Handbook Title 4, Chapter 3](#), Section 50
- [NS Bylaws](#), Chapter 3, Section 3 Faculty Ranks; Chapter 6, Section 8 Evaluations; Chapter 6, Section 10 Merit Determinations; Chapter 6, Section 3-4 Grievance Procedures for Faculty

## 10.9.1 Revision History

- Revisions approved by Dr. Sam Jewell on 1/13/2022; Dr. Tony Scinta on 7/11/2023; and President DeRionne Pollard on 8/14/2023.