April 18, 2022

TO: Academic Deans  
Vice Presidents

FROM: Ron Fricker, Vice Provost for Faculty Affairs  
Tim Hodge, Associate Vice President for Budget and Financial Planning

SUBJECT: 2022-23 Faculty Compensation Process

On April 4, the General Assembly convened for a special session to continue deliberation over several pieces of legislation, most notably the 2022-24 state budget. The Executive, House, and Senate budget proposals all include a compensation program for all full-time, salaried state employees effective June 10, 2022. While the state budget has not yet been finalized, the university is moving forward with a planning assumption of a 5.0% increase in anticipation of state budget approval.

Because the program remains under active consideration and is contingent upon approval by the Governor, final university implementation may need to be modified to reflect the outcome of state budget decisions and university authority. Any changes to these assumptions will be communicated to campus as soon they are available. In addition, the faculty compensation program will also require review and approval by the Board of Visitors.

For planning purposes, Virginia Tech will tentatively plan for the 2022-23 faculty compensation adjustment to be 5.0%, consisting of two components: a faculty merit pool of 4.0% and a National Distinction and Outstanding Contributor pool of 1.0%. These two components are detailed below.

The university’s faculty merit process is intended to reward and recognize the performance and contributions of faculty members in their areas of responsibility or scholarship. This process enables department heads and senior management leadership to evaluate the performance of each faculty member in the context of their individual goals and areas of expertise and to apply a flexible compensation approach that recognizes excellence. The 2022-23 faculty compensation process will be generally consistent with the process used in the past. Please review the following instructions to prepare for the merit review.

- **Faculty Merit Adjustments**: The university will facilitate a faculty merit process that will include A/P and T&R faculty. Faculty hired on or before December 10, 2021, are eligible for the merit process. The expectations for each faculty group by senior management area are detailed below:
T&R Faculty: The average T&R faculty merit increase should be 4.0%. The university’s allocation for T&R faculty increases will be based upon 4.0% of actual E&G faculty salaries up to 4.0% of E&G salary budget (distributed to colleges as part of the PIBB allocation and to other senior management areas through the traditional process). This group includes T&R faculty, Professors of practice, clinical professors, collegiate professors, instructors, and Research faculty.

A/P Faculty: The average A/P faculty merit increases should be 4.0%. The university’s allocation for A/P faculty increases will be based upon 4.0% of actual E&G faculty salaries up to 4.0% of E&G salary budget (distributed to colleges as part of the PIBB allocation and to other senior management areas through the traditional process).

“Attachment 2” displays an example of the Unit Summary tab on the Meeting Report that achieves the targeted increases for each faculty group. The Meeting Report is available at any time within the FACSAL system and should be consulted to determine if the senior management area has achieved the expected results before final recommendations are submitted.

National Distinction and Outstanding Contributor Adjustments (NDP/OC) and Special Adjustments: The university is committed to retaining faculty members who have achieved distinction in their disciplines and make outstanding contributions to the university. This process can be particularly helpful in the university’s efforts to retain outstanding mid-career faculty. To that end, the university is again facilitating this important process to recognize faculty who excel in their work and to address other special adjustments for those faculty who are eligible for special merit.

The university will designate 1.0% of the total allocation in support of the NDP/OC program. Senior Management Areas may supplement the 1.0% by reallocating existing resources.

National Distinction recognition is primarily targeted towards T&R faculty. Examples of national distinction include creating high impact research and scholarship, chairing an NSF or NIH study section, serving as president of a national/international society, serving as a juror for nationally competitive installations and performance venues, serving as an invited participant in a national workshop, etc. Faculty who have demonstrated sustained excellence that is recognized nationally (and internationally) are often approached to consider a faculty position at another university.

Outstanding Contributor recognition is primarily targeted towards A/P faculty. Examples of outstanding contributions include implementing innovative processes that support university operations, solving complex challenges, supporting advancement of university strategic priorities, etc.

Nominations for NDP/OC recognition and special adjustments are submitted through the Faculty Compensation process along with Merit Adjustments. Deans and Vice Presidents may add an NDP/OC adjustment to faculty as a category of “Special Adjustment” in the FACSAL portal. Include a description of their exceptional work (with quantifiable metrics if possible) and a recommendation for salary adjustment.
o Adjustments should be limited in number of faculty and material in size. For example, targeting 10% of a senior management area’s faculty with an average of 10% additional salary increase would be appropriate.

o These adjustments, particularly NDP/OC, are not substitutes for merit adjustments. The NDP/OC and special adjustments pool is limited and should be used for maximal impact so that, for example, an NDP/OC award should be for faculty members who have also received greater than 4.0% merit adjustments.

o Senior managers may choose to allocate the NDP/OC and special adjustments pool at the unit level or delegate allocation to the subunit level.

o This process results in a percentage incremental salary adjustment, effective June 10, 2022.

• **Promotion Adjustments:** P&T adjustments ($3,000 to assistant professor, assistant professor of practice, clinical assistant professor, agent, or advanced instructor; $5,000 to associate professor, associate professor of practice, or clinical associate professor, senior agent, or senior instructor; $7,000 to full professor, professor of practice, or clinical professor) will be effective July 1, 2022 (CY) or August 10, 2022 (AY). Promotion adjustments will occur after the merit adjustment in a separate process. Consistent with recent years, funding will be provided for P&T through a separate allocation.

• The merit funds corresponding to the vice presidents'/deans’ salaries and the salaries of the UDPs and ADPs in your college are part of the overall college allocation. You are required to set aside 5.0% for the UDPs and ADPs. Likewise, you are required to set aside 5.0% from the central pool for senior administrators. The provost, chief business officer, and president will be making the salary recommendations for these individuals. If the recommended amount for this group exceeds the amount that has been reserved for them, the university will transfer the difference to your budget.

• Outside hires effective after December 10, 2021 are NOT eligible for a merit increase. These individuals are included in the FACSAL database with a “0.0%” increase preloaded. If a current Virginia Tech employee (faculty or classified staff) accepts a new faculty position, they MAY remain eligible for the merit process depending on the agreement at the time of their hire. Note: You are not required to provide a merit increase if the newly negotiated salary takes into account any merit increase that may have been due in this process; however, the employee should be so informed, and this information should be documented in the new Terms of Faculty Offer.

• The FACSAL database will contain salaries that were effective in Banner on April 18, 2022.

  o If a faculty member’s salary is adjusted outside of the faculty merit process and before the merit increase is applied (June 10 for CY faculty and AY faculty), the percentage amount recommended in the faculty merit process will be applied to the current base salary when the merit increase is applied. **To avoid confusion, please refrain from adjusting salaries outside of the faculty merit process to the extent possible.**
• Faculty on leave without pay (LWOP) should be in your pool. Faculty on LWOP should be considered for a merit increase if appropriate, although they would not receive the increase until their return.

• Faculty on leave with pay should be included in the system at their full salary. Please correct these if not.

• Faculty on 10, 11, or 12-month research conversions should be shown at their 10, 11, or 12-month salary with the raise proportional to the current salary. Do not change the base back to the AY equivalent.

• Research faculty (postdocs, research, or project associates, etc.) should be included in FACSAL and in this annual merit process.

• It is expected that each faculty member will have received a performance evaluation by their supervisor or department head within the preceding 12 months. Assessment of performance is informed by the Faculty Activity Report (FAR). The department head is responsible for reviewing these prior to approving a recommendation for a merit adjustment. Depending on each unit’s FAR cycle, a senior management area may consider mid-year FAR updates.

• If the faculty member is on sponsored grants or contracts, or on recovered facilities and administration (F&A) costs, there must be available funding for the proposed raise. If funds are not currently available, but will be within a reasonable timeframe, the raise may be proposed but delayed (see explanation for footnote 5 below).

• The university strives for a single merit process effective date. As a result, faculty members on restricted appointments are included in the FACSAL listing. Those whose appointments are expected to continue after June 10 should be considered for a merit adjustment as part of this process. If they are not eligible for an adjustment because of a short-term appointment, then use the low merit footnote 6 to remove them from the process. Merit adjustments for restricted employees should occur either as part of this process, or upon reappointment (anniversary date), but not both.

• All split-funded faculty will appear in all departments paying a portion of their salary. It is critical that consultation be held between supervisors of split-funded faculty to reach a consensus on a merit adjustment and determine who will be responsible for informing the faculty member. Both department heads may write letters of evaluation, but this must be coordinated to be sure the faculty members are informed accurately of their approved increase. Unequal percentages may not be awarded. Though split-funded faculty appear in both senior management area faculty lists, there is only one FACSAL record per faculty member.

• For faculty appointed as Eminent Scholars (ES), salary adjustments shall be based upon the faculty member’s total salary and be applied to both the base salary and the Eminent Scholar supplement at the same rate. For example:
For faculty receiving an administrative supplement (AS) or an alumni distinguished professor supplement (ADP), adjustments shall be based upon the faculty member’s total salary yet be applied in whole to the base salary. The same guidance applies for a Cost-of-Living Adjustment (COLA). For example:

- Faculty member makes $90,000, plus an additional $10,000 ES. A 3.0% merit increase is applied, resulting in a post-merit base of $92,700 and post-merit ES supplement of $10,300 for a combined total salary of $103,000.

  - A comment is required to provide a sufficient explanation for especially high and especially low merit adjustments.
    - **A/P faculty**: Comment required for adjustments greater than 8.0% or less than 2.0%.
    - **T&R faculty**: Comment required for adjustments greater than 8.0% or less than 2.0%.

- The lower threshold for comments is not a “floor” for merit actions; rather, this threshold encourages a brief explanation of the action to inform senior leadership. **The explanation should be provided for any individual whose MERIT increase is below the lower threshold or exceeds the upper parameter.** This will help guide senior leadership review of the merit process and provide readily available documentation to respond to BOV questions should they occur. Any tenured faculty member for whom you are proposing a “U” (Unsatisfactory) rating leading to a post-tenure review should be so identified in the comment field and a “0” increase amount shall be entered in FACSAL.
• Users of the FACSAL system will have editing privileges to adjust starting salaries and titles. If a salary adjustment is made outside of the FACSAL process, please update the faculty record accordingly. Variance reports will be provided to units if edited salaries conflict with Banner.

• Merit recommendations must be entered into FACSAL by **May 4, 2022**.

• The university expects salaries to be stable from April 18 through June 10, 2022. Any changes in salary must occur before or after this period. Please plan any changes in responsibility associated with a salary change to take place on June 25, 2022; do not plan on changes that require a salary change between April 18 and June 10, 2022.

• As in years past, faculty members may NOT be informed of their recommended adjustments until the final amount is approved by the Board of Visitors. Assuming approval by the Board of Visitors, notification letters may be distributed on June 9, 2022. Raises for faculty are effective June 10, 2022, and will be reflected in their July 1, 2022, paycheck.

**Special Salary Adjustments:** This field provides an opportunity to recommend adjustments for reasons outside of the merit process such as NDP/OC recognition, alignment, market, or retention. **We recommend that you inform the faculty member of the separate merit and special adjustments. This is helpful documentation to prevent the overstating of the merit aspect of the increase.**

Only one special salary adjustment per faculty is permitted; therefore, select the most appropriate footnote for the special salary adjustment and enter the amount of the proposed special adjustment in the appropriate space. Senior Management Areas may supplement the 1.0% pool by reallocating existing resources for special adjustments. Eligible footnotes include:

1) **National Distinction and Outstanding Contributor Recognition (NDP/OC):** An adjustment may be awarded to faculty who meet the previously provided requirements. Use the comment field to provide sufficient justification for the recognition. Only faculty with greater than 4.0% merit recommendations should be eligible for NDP/OC adjustments.

2) **Adjustment for Internal Alignment:** An adjustment for internal alignment may be awarded in cases where a faculty member’s salary needs to be adjusted to an equitable level of salary paid to employees engaged in similar work or at the same rank within the university.

3) **Adjustment for External Market Competitiveness:** An adjustment for External Market Competitiveness may be awarded in cases where a faculty member’s salary needs to be adjusted to more closely align with the external market rate for similar work. External market data and salary studies can be useful in assessing the appropriate salary level.

4) **Adjustment for Retention:** An adjustment for retention may be awarded in cases where the loss of a faculty member to the private sector, another institution, or retirement is likely and where his or her expertise is critical to university programs. Retention offers may be "preemptive" where department heads have well-founded concerns about the potential loss of a key faculty member or administrator.
Faculty Salary Database – FACSAL

An automated system called FACSAL will be provided for collecting the data in the merit adjustment process. All users will benefit from attending the scheduled training session.

- FACSAL training will be provided on April 20, 2022, at 10 a.m. The training will be broadcast via Zoom. A link will be distributed to identified fiscal personnel.

- Additional information and access to the FACSAL system will be available via the Budget Office website when the system goes live.

- Please take some time shortly after April 19 to log into FACSAL and review a listing of your unit’s faculty. It is important to check the report carefully and verify the following:
  
  - Are all your faculty members on the list?
  - Are there any faculty members on your list that do not belong there?
  - Is each faculty member shown the correct full annual salary? It is especially important that faculty on leave are shown at full pay, even though they may currently be on half pay. Faculty split with another unit must be shown at full pay in both areas. There should be no partial salaries listed anywhere in FACSAL.
  - Are the title, rank, and appointment (9, 10, 11, or 12-month) correct for each faculty member?
  - Are users able to adjust the salaries, title, rank, and appointment of faculty in the FACSAL system if the preloaded information is incorrect or out-of-date? Periodic reconciliations to Banner will be conducted and variance reports provided to units. Questions should be sent to Lisa Blackwell at 540-231-4563 or liblackw@vt.edu.

- On May 4, the FACSAL system will be switched to a read-only capacity. This is a final deadline, beyond which the system will not be available and entries cannot be made. May 4 is the last day to enter recommendations.

- For the merit recommendation hearings to run efficiently, it is critical that you provide footnotes indicating any special actions you have taken. These special actions can typically be categorized into three areas for which short-hand versions are available for you to select within the FACSAL system.

Low Merit Footnotes

A low merit footnote is required for any adjustment that is less than 2.0%.

1. Faculty record not yet reviewed: When the FACSAL system opens, all faculty records show a proposed merit increase of zero dollars so this footnote will be selected by default. The system will require a different note be selected (if applicable) once a merit increase is proposed.
2. **Recent salary action; no merit increase proposed.**

3. **Poor performance:** Provide a brief explanation for any adjustment that is **less than 2.0%**. Specifically indicate in the comment field whether a tenured faculty member is being given a “U” (unsatisfactory) rating leading to a formal post-tenure review. Unless they are being give a formal “U” rating, do not use the term “unsatisfactory” performance in your comment; use “poor performance” or some other term so that we can distinguish the proposed actions clearly. Faculty receiving a “U” rating or comments including “unsatisfactory performance” will not be eligible for a salary adjustment.

4. **Unsatisfactory performance leading to post-tenure review:** Provide a brief explanation for any adjustment that is **less than 2.0%**. Specifically indicate in the comment field whether a tenured faculty member is being given a “U” (unsatisfactory) rating leading to a formal post-tenure review. Unless they are being give a formal “U” rating, please do not use the term “unsatisfactory” performance in your comment; use “poor performance” or some other term so that we can distinguish the proposed actions clearly. Faculty receiving a “U” rating or comments including “unsatisfactory performance” will not be eligible for a salary adjustment.

5. **Insufficient funds for increase; recommended delayed raise:** The recommended merit and/or special adjustment will be provided if and when sponsored funds become available later in the year. Occasionally grant funds are not sufficient or not yet available to provide a merit adjustment for special research faculty by June 10. If the individual is being recommended for a merit adjustment to be delayed until funds are available, indicate 0 (or amount now available) on the main screen and provide the percentage increase in the comment space, along with any appropriate explanation. It will be necessary to prepare a [P3A form](#) to affect the approved adjustment when funds do become available. However, inclusion of the proposed raise in FACSAL will establish prior approval for the percentage increase for the employee.

6. **Separated from position before action is effective:** Use this footnote and a brief comment to indicate that the faculty member has or will have separated from the university prior to the June 10, 2022, effective date of the increase.

7. **Other:** Use this footnote and the comment space to indicate any other changes or explanations appropriate for the individual case.

Attachments: Schedule for 2022-23 Faculty Compensation Process

Unit Summary Meeting Report Example

c: Timothy Sands
Cyril Clarke
Chris Kiwus
Bryan Garey
Fiscal Officers
HR Division Directors
HR Advisory Committee
HR Practitioners

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**VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY**
**An equal opportunity, affirmative action institution**
2022 Schedule for Faculty Merit Adjustments

April 18  Faculty Merit Process memorandum is distributed.
April 19  FACSAL database opens to fiscal officers.
April 15  Deadline for all faculty salary actions until June 11.
April 20  FACSAL training, 10 a.m. via Zoom.
April 18 - May 4  Deans review merit adjustment recommendations with department heads and enter into FACSAL.
May 4  Last day to enter merit adjustments.
May 5 – May 8  University leadership review of increase recommendations.
May 9  Deadline for report to Board of Visitors.
June 6-7  BOV approves Faculty Compensation Plan; reviews and approves merit recommendations.
June 9  Department heads notify faculty of salary actions.
June 10  CY Faculty merit actions applied.
June 25  Results of the merit program appear in CY Faculty members’ pay stubs.
July 1  Promotion and tenure increases applied for CY Faculty.
August 10  Merit and promotion and tenure raises applied for AY Faculty.
August 25  Results of the merit and P&T actions appear in AY faculty members’ pay stubs.