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TO: Academic Deans  
Vice Presidents

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

SUBJECT: 2024-25 Faculty Compensation Process

The proposed state budget currently includes a 3.0% compensation program for all full-time salaried state employees, tentatively effective June 10, 2024. While we await final approval from the state, the university will begin the process of proposing merit adjustments based on a 3.0% program for full-time salaried faculty. If there are any changes to the program, information will be communicated to campus.

This year the compensation process will be entirely dedicated to a merit pool. Senior Management Areas may supplement the 3.0% merit pool by reallocating existing resources for special adjustments but may not increase the amount for merit beyond 3%. Separately, there is broad support for a national distinction pool for faculty, which would be outside the state compensation program. A final decision on this program has not been made and additional information will be shared when available.

As a merit-based process, this program is intended to recognize the scholarly achievements of faculty members and their contributions to the tripartite mission of the university. Merit increases are expected to be awarded differentially based on performance as evaluated by an appropriate assessment of annual Faculty Activity Reports (FARs) and/or other relevant performance-related information. They should clearly distinguish between excellent, average, and low performance.

For Virginia Tech faculty, increases will be effective June 10 for calendar year (CY) faculty and August 10 for academic year (AY) faculty. This program is contingent upon final approval by the state. Board of Visitors' approval of the university's program will occur in early June.

The FACSAL system will open on April 15; the last day to make entries in the system will be May 1. While individual faculty increases will vary, the merit recommendations for each Senior Management Area (SMA) must achieve the 3.0% average for the entire SMA before submitting for university review (as shown in the attached unit special adjustment by faculty type report example). For additional information on the 2024-25 faculty merit program, please see the attached process document and schedule.

Thank you for your leadership in this important process and for all you do for our faculty.

Attachments: 2024-25 Faculty Compensation Process and Schedule  
Unit Special Adjustment by Faculty Type Report Example

cc: Timothy Sands, Cyril Clarke, Amy Sebring, Bryan Garey, Fiscal Officers,

## 2024-25 Faculty Compensation Process

The faculty compensation process is designed to reward and recognize the performance and contributions of faculty members in their areas of responsibility and scholarship. This process enables department heads and SMA 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 approach that recognizes excellence.

For the 2024-25 faculty process, a 3.0% merit pool will be available to use in recognizing faculty performance. While individual faculty increases should vary based on performance, the merit recommendations for each SMA must achieve the 3.0% average for the entire SMA before submitting for university review (can be viewed on the Unit Summary Meeting Report in FACSAL).

### Eligibility Criteria

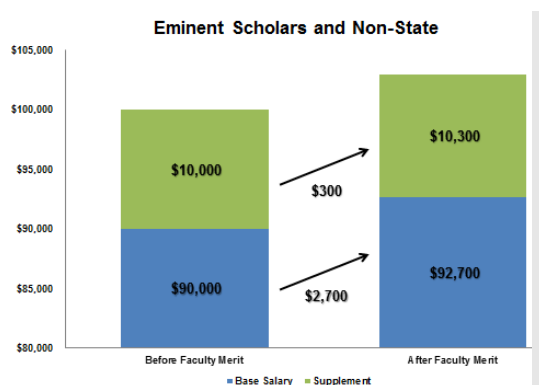
- T&R faculty hired on or before Dec. 10, 2023, are eligible for the merit program.
  - For the purposes of this merit program, T&R faculty consist of tenured and tenure-track faculty, collegiate faculty, clinical faculty, professors of practice, instructors, and research faculty, as well as faculty holding A/P appointments but with tenure homes in academic colleges and departments.
- A/P faculty hired on or before March 10, 2024, are eligible for the merit program, except those included in the T&R faculty for the purposes of this program, as described above.

### Adjustment Process

- The university's total allocation for faculty merit increases will be based on 3.0% of E&G salary budget (distributed to colleges as part of the PIBB allocation and to other SMAs through the traditional process).
- Merit increases are expected to be awarded differentially based on faculty performance evaluated by an appropriate assessment of annual FAR and/or other relevant performance-related information. Merit allocations to faculty should clearly distinguish between excellent, average, and low performance.
- For T&R faculty, promotion and tenure (P&T) adjustments will be effective July 1, 2024, for CY faculty or Aug. 10, 2024, for AY faculty. Promotion adjustments will occur after the merit adjustment through a separate process. Consistent with recent years, funding will be provided for P&T through a separate allocation. P&T adjustments are granted as follows:
  - \$3,000 to assistant professor, assistant professor of practice, clinical assistant professor, Extension agent, or advanced instructor.
  - \$5,000 to associate professor, associate professor of practice, or clinical associate professor, senior Extension agent, or senior instructor
  - \$7,000 to full professor, professor of practice, or clinical professor.

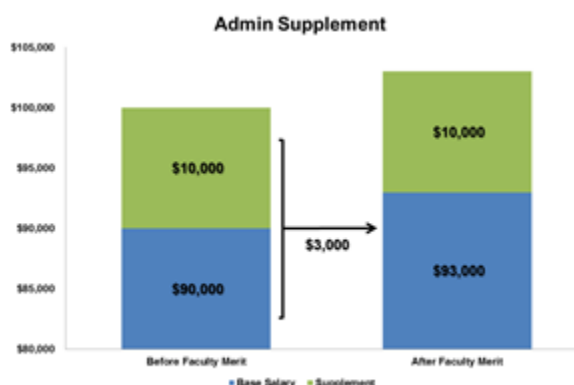
- VPs/Deans along with UDPs/ADPs will be removed from their home SMA in the FACSAL system and merit recommendations managed at the executive level.
  - Units are expected to achieve the 3.0% merit target across the faculty who remain in their unit in FACSAL.
  - Units should plan to fund 3.0% merit increases for their VPs/Deans and ADP/UDPs. To the extent that increases for those individuals exceed the 3.0% program, additional resources will be provided to the unit.
- The FACSAL database will initially be populated with salaries that are effective in Banner on April 12, 2024.
- 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:

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.



- 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 AS supplement. A 3.0% merit increase is applied, resulting in a post-merit base of \$93,000 and no change to the supplement of \$10,000.



## Special Salary Adjustments

- This field provides an opportunity to recommend adjustments for reasons outside of the merit program such as internal alignment, market, or change of responsibilities. We recommend that, when the faculty member is informed of their new salary, merit and special adjustments are reported separately in their letter. This is helpful documentation to prevent overstating the merit aspect of the increase.
- **For special salary adjustments, SMAs may supplement the 3.0% merit pool by reallocating existing resources.** Note that no incremental resources will be provided to units for special adjustments.
- 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. Eligible footnotes include:
  - 1) **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.
  - 2) **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.
  - 3) **Increased Responsibility:** May be awarded when a faculty member's salary needs to be adjusted to reflect a reassignment of duties and growth in responsibility level. Often adjustments in this category reflect an after-the-fact evaluation of significant changes in level or responsibility and/or employee performance over a significant period of time.
  - 4) **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 on Leave and Other Appointment Considerations

- Faculty on leave without pay (LWOP) should be in your pool and should be considered for a merit increase if appropriate, although they will not receive the increase until their return. Like other employees, merit decisions for faculty on LWOP must be based upon performance.
- Faculty on leave with pay (e.g., research leave) should also be included at their full salary. Please correct these in the system as needed.
- 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 program.
- 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 (no later than one year from the effective date of this action), the raise may be proposed but delayed. See explanation for footnote 5 below.
- Faculty members on restricted appointments are included in the FACSAL listing. Those whose appointments are expected to continue after June 10 should be included in this merit

program. 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.

## Additional Considerations

- T&R Faculty whose start date is after Dec. 10, 2023, are NOT eligible for a merit increase. A/P Faculty whose start date is after March 10, 2024, 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 staff or faculty accepts a new faculty position, they MAY remain eligible for merit depending on the agreement at the time of their hire into the new role.
- 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 August 10 for 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 process merit increases, there will be an Employee Administration blackout on all other salary actions for full-time faculty and staff from May 26 – June 10, 2024. Other compensation actions with these effective dates will not be processed during this time.**
- Split-funded faculty will appear in all departments paying a portion of their salary. Though split-funded faculty appear on two or more SMA lists, there is only one FACSAL record per faculty member and thus unequal percentages may not be awarded. 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.
- All faculty records in FACSAL must be reviewed and saved, even if no merit increase is being awarded. Please ensure that each record has been reviewed prior to finalizing your submission. The FACSAL system provides an “Unreviewed Faculty” report to help you with this step of the process.

## Merit Comments

- Comments are required in FACSAL to explain especially high merit increases (greater than 5.0%) and low merit increases (less than 1.0%).
  - These thresholds require that comments be added to explain actions to senior leadership and guide their review of the merit process.
  - 5.0% should not be considered a “ceiling” for merit actions and 1.0% should not be considered a “floor” for merit actions.
  - One of the following Low Merit footnotes is required in the FACSAL system to explain increases of less than 1.0%.
    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 to be selected if a merit increase is proposed.
    2. **Recent salary action; no merit increase proposed.**
    3. **Poor performance:** An explanation for poor performance is *required* in the comment field. Do not use the term “unsatisfactory” performance in the comment; use “poor performance” or some other term so the proposed action can be clearly distinguished from unsatisfactory performance (see the next footnote).
    4. **Unsatisfactory performance leading to post-tenure review:** This category is reserved for faculty performance sufficiently substandard that it, upon a second unsatisfactory rating, would lead to a post-tenure review per section 3.5.3 of the Faculty Handbook. Faculty receiving an unsatisfactory rating or comments

including “unsatisfactory performance” will not be eligible for a salary adjustment and a “0%” increase amount must be entered in FACSAL.

5. **Insufficient funds for increase; recommended delayed raise:** The recommended merit and/or special adjustment will be provided if sponsored funds become available no later than one year from the effective date of this action.
  - 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, the proposed raise in FACSAL will establish prior approval for the employee's percentage increase.
6. **Separated from university before action is effective:** Indicate with a comment that the faculty member has or will have separated from the university prior to the June 10, 2024, effective date of the increase.
7. **Separated from senior management:** Indicate with a comment that the faculty member has or will have separated from the senior management area prior to the June 10, 2024, effective date of the increase.
8. **Other:** Use this footnote and the comment space to indicate any other changes or explanations appropriate for the individual case.

## Compensation Process Review

- Faculty Affairs and the Office of Budget and Financial Planning will review the outcome to ensure that the general expectations of this merit process were met, including adherence to the expectations that:
  - Merit was distributed based upon performance, including that differentiation was used to recognize high performers,
  - Such differentiation was also effectively balanced with achieving equity and fairness between faculty of similar ranks and performance levels, and,
  - Those receiving high (above 5%) or low (below 1%) merit increases are appropriately explained and justified.

This could result in follow-up discussions to enhance final recommendations.
- As a reminder, the merit recommendations for the entire SMA should equal the 3.0% average.
  - “Attachment 2” displays an example of the Unit Summary tab on the Meeting Report that achieves the targeted merit 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 SMA has achieved the expected results before final recommendations are submitted.
- The results of the merit program will also be reviewed by the university’s executive leadership. This could result in follow-up discussion to enhance final recommendations.
- Human Resources will notify SMAs once merit increases are approved by the administration and the BOV.

## 2024-25 Faculty Compensation Process Schedule

See the full schedule for this year's faculty compensation process on the next page. Below are key dates, deadlines, and important notes for this year's process:

- The university's automated FACSAL system will be used for collecting merit data. All users will benefit from attending the scheduled training session, which will be held on April 15, 2024, 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.
  - A summary of recommendations will be available within the submission spreadsheet.
- FACSAL will open for entries on April 15. Once FACSAL is open, it is important to review your unit's faculty listing 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 with 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?
- 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, update the faculty record accordingly. Variance reports will be provided to units if edited salaries conflict with Banner.
- Merit recommendations must be entered in FACSAL by May 1. This deadline is firm to implement increases for the June 10 pay period.
- Unless the date is changed by the General Assembly, raises will be effective:
  - June 10 for CY faculty; the resulting increase will appear in the July 1 paycheck.
  - Aug. 10 for AY faculty; the resulting increase will appear in the Aug. 30 paycheck.

**NOTE:** Faculty members should NOT be informed of their recommended adjustments until the program is formally approved by the BOV and that approval is communicated to units by Human Resources. Assuming approval, faculty communication may begin no earlier than June 12, 2024.

## Full faculty compensation process schedule

Date	Action
April	FACSAL and merit process training (various dates)
April 4	Faculty Compensation Process Memorandum distributed to campus.
April 12	FACSAL system data is populated with Banner salary data.
April 15	FACSAL database opens to fiscal officers and HR representatives.
April 15 - 19	SMA's verify employee information in FACSAL.
April 15 – May 1	Deans and VPs review merit adjustment recommendations with department heads and enter into FACSAL.  <b>NOTE: While individual employee increases should vary based on performance, the merit recommendations for SMA's must achieve the 3.0% average for the entire SMA before submitting.</b>
May 1	Last day to enter proposed increases into FACSAL; SMA's affirm final data.
May 2-3	Finance produces summary reports.
May 6	University leadership reviews increase recommendations.
May 9	Deadline for report to Board of Visitors.
May 26 – June 10	Employee Administration blackout period; no salary actions with effective dates of May 26 – June 10 for full-time faculty and staff will be processed during this time.
May 31	HR form submittal deadline for the May 25 effective date.
June 10-11	Board of Visitors approves faculty merit plan.
June 10	CY faculty merit actions applied.
June 12	Notification to SMA's that merit recommendations are approved.  Department heads notify faculty of merit increases that will be effective June 10, 2024.
July 1	Merit increases appear in CY faculty paychecks.
July 1	Promotion and tenure increases applied for CY faculty.
August 10	Merit and promotion and tenure increases applied for AY faculty.
August 30	Merit and promotion and tenure increases appear in AY faculty paychecks.

- FACSAL forms and trainings are located here:  
[obfp.vt.edu/budgetprocesses/facsal](http://obfp.vt.edu/budgetprocesses/facsal)
- For questions about the FACSAL system contact Kris Buhrdorf at 540-231- 4563.



**2024-25 Faculty Compensation Process**

- Merit actions should be differentiated on the basis of individual performance.
- The university's total allocation for faculty increases will be based on 3% of E&G salary budget
  - Distributed to colleges as part of the PIBB allocation and to other SMAs through the traditional process.
  - Senior Management Areas may not supplement the 3.0% merit component.

**Special Adjustment by Faculty Type Report**

This example demonstrates a unit achieving the minimum targets outlined above. Report may be generated by user at any time from the "Reports" screen by selecting "Special Adjustment by Faculty Type" from the drop-down menu. Pay particular attention to the "Unit Totals" section at the bottom of the report.



Appointment Type	Starting salary	Merit incr.	Merit incr. %	Adjustment for Retention	Adjustment for Retention %	Internal Alignment	Internal Alignment %	Market Competitiveness	Market Competitiveness %	Natl. Distinction / Outstanding Contr.	Natl. Distinction / Outstanding Contr. %	New salary	New salary %
<i>Department 1</i>													
Teaching / Research	\$1,548,622	\$49,556	3.20%	\$6,969	0.45%	\$0	0.00%	\$0	0.00%	\$0	0.00%	1,605,147	3.65%
Research Faculty	\$254,214	\$5,084	2.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	259,298	2.00%
Admin / Professional	\$655,478	\$19,337	2.95%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	674,815	2.95%
T/R and Research	\$1,802,836	\$54,640	2.03%	\$6,969	0.39%	\$0	0.00%	\$0	0.00%	\$0	0.00%	1,864,445	3.42%
<b>Department Total</b>	<b>\$2,458,314</b>	<b>\$73,977</b>	<b>3.01%</b>	<b>\$6,969</b>	<b>0.28%</b>	<b>\$0</b>	<b>0.00%</b>	<b>\$0</b>	<b>0.00%</b>	<b>\$0</b>	<b>0.00%</b>	<b>\$2,539,260</b>	<b>3.29%</b>
<i>Department 2</i>													
Teaching / Research	\$674,558	\$20,574	3.05%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	695,132	3.05%
Research Faculty	\$75,896	\$2,277	3.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	78,173	3.00%
Admin / Professional	\$214,022	\$6,421	3.00%	\$0	0.00%	\$1,070	0.50%	\$0	0.00%	\$0	0.00%	221,513	3.50%
T/R and Research	\$750,454	\$22,851	2.05%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	773,305	3.04%
<b>Department Total</b>	<b>\$964,476</b>	<b>\$29,272</b>	<b>3.03%</b>	<b>\$0</b>	<b>0.00%</b>	<b>\$1,070</b>	<b>0.11%</b>	<b>\$0</b>	<b>0.00%</b>	<b>\$0</b>	<b>0.00%</b>	<b>\$994,818</b>	<b>3.15%</b>
<i>Department 3</i>													
Teaching / Research	\$1,255,856	\$36,922	2.94%	\$6,279	0.50%	\$0	0.00%	\$0	0.00%	\$0	0.00%	1,299,057	3.44%
Research Faculty	\$0	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	0	0.00%
Admin / Professional	\$366,521	\$11,179	3.05%	\$0	0.00%	\$0	0.00%	\$916	0.25%	\$0	0.00%	378,616	3.30%
T/R and Research	\$1,255,856	\$36,922	2.94%	\$6,279	0.50%	\$0	0.00%	\$0	0.00%	\$0	0.00%	1,299,057	3.44%
<b>Department Total</b>	<b>\$1,622,377</b>	<b>\$48,101</b>	<b>2.96%</b>	<b>\$6,279</b>	<b>0.39%</b>	<b>\$0</b>	<b>0.00%</b>	<b>\$916</b>	<b>0.06%</b>	<b>\$0</b>	<b>0.00%</b>	<b>\$1,677,674</b>	<b>3.41%</b>
<i>Unit totals</i>													
Teaching / Research total	\$3,479,036	\$107,052	3.08%	\$13,248	0.38%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$3,599,336	3.46%
Research Faculty total	\$330,110	\$7,361	2.23%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$337,471	2.23%
Admin / Professional tota	\$1,236,021	\$36,936	2.99%	\$0	0.00%	\$1,070	0.09%	\$916	0.07%	\$0	0.00%	\$1,274,944	3.15%
T/R and Research total	\$3,809,146	\$114,413	3.00%	\$13,248	0.35%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$3,936,807	3.35%
<b>Total</b>	<b>\$8,854,313</b>	<b>\$265,763</b>	<b>3.00%</b>	<b>\$26,496</b>	<b>0.30%</b>	<b>\$1,070</b>	<b>0.01%</b>	<b>\$916</b>	<b>0.01%</b>	<b>\$0</b>	<b>0.00%</b>	<b>\$9,148,558</b>	<b>3.32%</b>