



ADMINISTRATIVE POLICY

Administrative Faculty Merit Pay Policy (HR 6)

POLICY STATEMENT

The Nevada State College (NSC) Administrative Faculty Merit Pay Policy supports the College's commitment to reward excellence. Merit Pay is awarded to recognize and retain high-performing Administrative Faculty who make significant contributions to the mission and goals of NSC.

This policy defines a College-wide framework for Administrative Faculty Merit Pay determination, in compliance with Chapter 6, Section 10 of the NSC Bylaws. The policy is pursuant to the preservation of transparency in Merit Pay awards.

DEFINITIONS

Academic Faculty: Generally consists of those professional staff members who specifically create and disseminate scholarly information through teaching, or providing counseling or library services closely and directly supportive of teaching and research. (See NSHE Board of Regents Handbook, Title 4, Chapter 3, Section 2(1)(b) and NSC Bylaws Chapter 3, Section 2 (b) and, Chapter 3, Section 3(a)).

Administrative Faculty: A subset of the category of administrators defined in section 1.1.b of the NSHE Code and Title 4, Chapter 3, Section 2(1)(d) of the NSHE Board of Regents Handbook. (NSHE Code, Chapter 7, section 7.2.1.; NSC Bylaws, Chapter 3, Section 2(c) and 3(b)).

Eligible Administrative Faculty: Administrative Faculty who have a start date at NSC no later than September 30 of the Fiscal Year.

Fiscal Year: Period beginning July 1 of one year and extending through June 30 of the next year.

Institutional Base Salary (IBS): The annual compensation paid by the College for an individual's appointment, whether that individual's time is spent on research, instruction, administration, or other activities. IBS excludes any income that an individual earns outside of duties stipulated in the employee's basic appointment.

Merit Pay: Addition to Institutional Base Salary earned by eligible Administrative Faculty for high levels of performance as documented in the annual evaluation report.

Merit Pool: Total funds allocated as a designated percentage of NSC's annual budget.

Share: Portion of the Merit Pool available to Administrative Faculty based on "excellent" and "commendable" ratings in their annual evaluations.

PROCEDURES

I. Introduction

NSHE institutions are authorized to develop written policies and criteria for Merit Pay recommendation. The award of Merit Pay is intended to recognize, reward, and reinforce exemplary performance. Merit Pay must be earned each year.

Merit Pay is awarded to Administrative Faculty members based on their contributions, accomplishments, and ongoing high levels of performance. The ability to earn Merit Pay serves as an incentive to perform well. A fundamental premise of an equitable Merit Pay system is that it is built upon a sound and valid performance management system, one that is perceived as being fair, measurable, and objective.

Merit Pay is added to Institutional Base Salary (IBS) when calculating the IBS for the new Fiscal Year; any Cost of Living Adjustment (COLA) is added to IBS after Merit Pay is calculated.

II. Criteria for Administrative Faculty Eligible for Merit Pay

The annual evaluation report provides the basis for consideration of annual Merit Pay increases. Merit Pay is awarded to Administrative Faculty who receive an overall rating of “commendable” or “excellent” on their annual evaluation reviews. All annual evaluation reports should provide sufficient information to allow for full and fair evaluation of Administrative Faculty in compliance with Chapter 5, Section 8 of the NSC bylaws.

Because annual evaluation reports are the basis for Merit Pay increases, those records are considered confidential and not a matter of public record. Once awarded, the amount of the Merit Pay increase is a matter of public record.

- A. *Ineligibility:* Administrative Faculty members are not be eligible for Merit Pay if they receive a rating of “satisfactory” or below in their annual evaluation review. In addition, Administrative Faculty who would otherwise be considered for Merit Pay will be ineligible if they fall into any of the following categories:
1. Newly-hired Administrative Faculty who begin employment at NSC on or after October 1 of the Fiscal Year;
 2. Administrative Faculty who received a promotion on or after October 1, unless Merit Pay eligibility is specifically included in the negotiated contract;
 3. Administrative Faculty who are in a temporary appointment. Academic faculty on a temporary Administrative Faculty appointment are eligible for merit pay under the Academic Faculty Merit Pay Policy.
- B. *Exclusions:* The Administrative Faculty Merit Pay Policy does not apply to:
1. Academic Faculty;
 2. Part-time instructors;
 3. Classified Staff;
 4. Casual labor;
 5. Student workers;
 6. Employees on multi-year contracts;
 7. The President.

III. Award Process for Administrative Faculty Merit Pay

Merit Pay salary increases will be awarded once annually. Merit Pay increases go into effect July 1 and first appear on August paychecks. This policy, the available Merit Pool, the number of shares to be distributed, and the value per share will be provided no later than July 1 of each year.

The annual performance evaluation will provide the basis for consideration of the annual Merit Pay increase. While specific policies may differ by unit, all Annual Evaluation Reports should provide sufficient information to allow for full and fair evaluation of faculty, pursuant of Chapter 5, section 8 of the NSC bylaws.

If an Administrative Faculty member fails to submit self-assessment materials for evaluation, the faculty member is ineligible for Merit Pay based on that year's evaluation. If a supervisor fails to complete an annual evaluation, the Administrative Faculty member may submit their self-assessment to the supervisor's direct supervisor for evaluation; that evaluation rating will then be used to determine eligibility for Merit Pay.

The Senior Vice President of Finance and Business Operations and/or Director of Human Resources is responsible for calculating the amount of Merit Pay awarded per Share. This amount is calculated by adding up the total number of Shares, then dividing the Merit Pool by the number of Shares.

The calculation will include both self-supporting and state-supported positions. Grant, contract, and other self-supporting funding sources should be used to pay their Share of professional merit pay and the associated fringe costs. If grant, contract, or other self-supporting funding does not support a budget revision to include the merit increase, a merit increase will not be provided to associated positions.

A. *Determining the Administrative Faculty Merit Pool:*

1. The Merit Pool is calculated using Institutional Base Salaries (prorated for FTE) for all eligible Administrative Faculty position classifications filled as of October 1st of the prior year.
2. The Office of Human Resources will generate a report from Workday as of September 30th that provides necessary salary information and collaborate with the Office of Budget and Finance to calculate the merit pool by October 31st of each year.
3. The Administrative Faculty Merit Pool will be one percent (1%) of the total of all eligible Institutional Base Salaries. *See Appendix for an example.*
4. Fringe costs are not included in Merit Pool calculation.

B. *Distribution of Merit Shares:* Administrative Faculty Merit Pool funds are awarded based on annual evaluation ratings. Administrative Faculty who receive an overall rating of "commendable" or "excellent" are automatically eligible for a Share of the Merit Pool:

"Excellent":	2 Shares
"Commendable":	1 Share

See Appendix for an example.

IV. Notice of Merit Pay

When an Administrative Faculty member has been awarded Merit Pay, the pay adjustment will be visible in Workday.

The official date of notification of Merit Pay awards for the purpose of review and grievance shall be (a) the first day of the fall semester or (b) the day the merit list is released to campus, whichever date is later. The Merit Pay list is considered a public record subject to disclosure.

V. Availability and Use of Merit Pool Funds

The provisions of this policy may be suspended for NSC or NSHE as a whole. Requests for suspension of the provisions of this section must be presented to the Board with justification and require approval of the Board. NSC will report annually to the Board on how the provisions of this section have been met (NSHE Handbook, Title 4, Chapter 3, Section 50).

VI. Review of Merit Pay Increase

Pursuant to Title 2, Chapter 5, Section 5.16 of NSHE Code, Administrative Faculty members who are in disagreement with their particular award of Merit Pay may seek review in accordance with the grievance process adopted in the NSC Bylaws.

CONTACTS

OFFICE/UNIT	CONTACT	PHONE	EMAIL
Senior Vice President of Finance & Administration	Kevin Butler	702-992-2302	Kevin.butler@nsc.edu
Human Resources	Eric Gilliland	702-992-2320	Eric.gilliland@nsc.edu

RELATED INFORMATION

- [NSHE Code, Chapter 5](#), Section 5.12 Evaluation, 5.16 Review of Evaluations and/or Denials of Salary Increase
- [NSHE Handbook, Title 4, Chapter 3](#), Section 50 Annual Professional Performance Pay Awards
- [NSC Bylaws](#), Chapter 6, Section 8 Evaluations; Chapter 6, Section 10 Merit Determinations; Chapter 6, Section 3-4 Grievance Procedures for Faculty

HISTORY

Replaces AD 1, adopted 12/31/2014.

APPROVAL SIGNATURES PAGE


 Faculty Senate (Chair's Signature)

1.13.2022
 Date

Recommendation (check one):

	Denial	Approval	Approval w/ condition*
<i>Recommendation</i>		✓	



Office of the Provost (Provost's Signature)

1.14.2022
 Date

Recommendation (check one):

	Denial	Approval	Approval w/ condition*
<i>Recommendation</i>		✓	



Office of the President (President's Signature)

1.14.2022
 Date

Final decision (check one):

	Denial*	Approval
<i>Recommendation</i>		✓

*Attach rationale for denial or conditional approval

APPENDIX: SAMPLE CALCULATIONS

I. Example of Merit Pool Calculation

If 50 Administrative Faculty made \$70,000, the total Institutional Base Salary pool would be \$3,500,000.

The total Administrative Faculty Merit Pool would be calculated as follows:

$$\$3,500,000 \times 1\% = \$35,000$$

II. Example of Merit Share Distribution

Each Faculty member is assigned shares for the ratings in the annual evaluation report.

Excellent = 2 shares

Commendable = 1 share

The value of one Merit Pay share is calculated by dividing the Merit Pool by the sum of Total Evaluation Shares.

$$\text{Share Value} = \text{Merit Pool} / \text{Total Evaluation Shares}$$

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

20 Administrative Faculty with Excellent = 40 Shares

30 Administrative Faculty with Commendable = 30 Shares

Total Evaluation Shares = 70

Example Merit Pay would be calculated as follows:

$$\$35,000 \text{ Administrative Faculty Merit Pool} / 70 \text{ Shares} = \$500 \text{ per Share}$$

III. Example Administrative Faculty Merit Pay

Evaluation Rating	Initial Evaluation Shares	Merit Pay
Excellent	2	\$1,000
Commendable	1	\$500