

Office of the Provost
Salary increases, FY20, Faculty Plan

The Faculty salary increase for FY 20 involves primarily merit-based increases. The COFS (Conditions of Faculty Service) document lays out several key requirements for merit-based increases: a) the basis for merit raises is to be the annual review, b) a rating of at least satisfactory is required to be eligible for merit-based increases, and c) when merit funding has not been available for some time, the increase must be based on the immediately preceding years that were not used in previous merit raise procedures (up to a maximum of 3). Because the last general merit raises were based on the annual reviews for AY 13-14, 14-15 and 15-16 we must use the scores for AY 16-17 and AY 17-18 in determining merit increases for FY 20.

1. The funding for the raise will be based on a percent of the salary dollars for eligible faculty in each department. The approved total for the increase is based on **3%** of existing salaries.
2. Funds will be allocated to the department level based on previous merit scores, holding back .5% (1/6 of the total, so this could vary according to the final amount of available funds) for **deans** (in concert with the Provost and based on clear criteria) to allocate to equity/compression/market issues in their colleges. The Provost will discuss proposed adjustments using this component of the increase with the Vice President for Research and take suggestions to the President for final approval.
3. Each faculty member with at least an average satisfactory rating over the last three years will receive **1.5%** as a “base merit” component.
4. Remaining funds (**1.0%**) will be distributed as “additional merit”. These will be divided up, within the department, into equal increments in the following formula:
 - a. The total number of ratings, Meritorious (M) and Highly Meritorious (HM), of faculty within the department over the last three years will be computed. Each M counts once; each HM counts twice. The total number determines the number of “shares” into which the available money must be split.
 - b. Available funds will be divided by the total computed in step 4A, which gives the value of each share, or “X.” Because two years of ratings are considered, a person eligible for this increase could be awarded from 1X (one year with meritorious rating) to 4X (two years of highly meritorious ratings). Thus, a person with 2M ratings would receive 2X; a person with 1M and 1HM ratings would receive 3X. See model below. A person who was on unpaid leave for ½ year will receive ½ X times the rating for that year. Those who were employed FT at NAU for only one year of review (AY 17-18) will receive a share or credit for only a single review score.
5. The pay raise will be effective on **July 1 of 2019**.
6. In cases where faculty contracts do not conform to the customary academic year calendar (e.g., 11 months instead of 9), the additional funds must be provided by the unit itself (department or college).

Total Salaries	\$388,000									
Initial 3% Pool	\$11,640									
.5% Holdback	(\$1,940)									
Remaining Pool	\$9,700									
1.5% Increase	(\$5,820)									
Remaining Merit An	\$3,880									
Dep't #1	\$1,940	Shares	9	X=	\$216					
Dep't #2	\$1,940	Shares	16	X=	\$121					

Unit	Name	AY Sal	Year 1 Score	Year 2 Score	Merit Pts (Shares)	1.5% Adjustment	X value	Extra \$\$ increase	Total Increase	Increase % sal
DEPT #1	Faculty A	\$41,000	M	HM	3	\$615		\$647	\$1,262	3.08%
DEPT #1	Faculty B	\$54,000		M	1	\$810		\$216	\$1,026	1.90%
DEPT #1	Faculty C	\$54,000	S*	M	1	\$810		\$216	\$1,026	1.90%
DEPT #1	Faculty D	\$45,000	HM	HM	4	\$675		\$862	\$1,537	3.42%
		\$194,000		TOTAL	9	\$2,910	\$216	\$1,944	\$4,854	
*"Satisfactory" rating not eligible for additional merit increase										
DEPT #2	Faculty A	\$41,000	HM	HM	4	\$615		\$485	\$1,100	2.68%
DEPT #2	Faculty B	\$54,000	HM	HM	4	\$810		\$485	\$1,295	2.40%
DEPT #2	Faculty C	\$54,000	HM	HM	4	\$810		\$485	\$1,295	2.40%
DEPT #2	Faculty D	\$45,000	HM	HM	4	\$675		\$485	\$1,160	2.58%
		\$194,000		TOTAL	16	\$2,910	\$121	\$1,944	\$4,854	
GRAND TOTAL		\$388,000				\$5,820			\$9,708	

Hypothetical sample (2 departments in one college of same size and salary base, with different rating patterns and longevity). Modeled on 3% raise, but this amount may change.