

STAFF Merit Guidelines **Fiscal Year 2024**

PURPOSE

Merit adjustments, along with other initiatives such as training programs and educational benefits, support UTRGV's talent management strategy that seeks to retain the best, most productive and most highly motivated individuals.

TIMELINE

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| October 25, 2023 | HR provides merit pool listings and templates to each division head or designee |
| November 16, 2023 | Completed merit materials due to HR for review no later than this date (including division head review) |
| November 28, 2023 | Merit materials returned to the division offices by HR |
| December 1, 2023 | Effective date for merit |
| January 2, 2024 | Merit pay increase included in paycheck |

ELIGIBILITY CRITERIA ^{i ii iii iv v}

Staff employees are eligible for merit if they:

- Have had uninterrupted employment at UTRGV prior to November 1, 2022.
- Are current on all compliance trainings required through UTRGV.
- Meet established Evaluation Criteria:
 - Classified Staff: Have an overall positive rating on their employee performance evaluation on file with the Human Resources Office [evaluation rating of 3 out of 5] (and not have disciplinary action on file with HR since September 1, 2022) and performance is deemed as meritorious by their supervisor/department head.
 - A&P: Have an evaluation on file (and not have disciplinary action on file with HR since September 1, 2022) and performance is deemed as meritorious by their supervisor/department head.

Note: Eligibility for merit does not guarantee an award.

MERIT POOLS / METHODOLOGY

The Planning & Analysis and HR Offices will compute the merit pools for each division based on 2% of the total of all **July 1, 2023** salaries for all budgeted, filled positions within a department up to a maximum of \$6,000 per position.

MERIT DISTRIBUTION

For staff meeting the established eligibility criteria the increase should be a maximum of 4% or \$6,000, if 4% exceeds \$6,000. The divisions have discretion in establishing their award criteria and methodologies as long as those criteria do not conflict with the guidelines outlined in this document. The division heads will review and approve the criteria established at each department/unit to ensure a merit distribution that is fair, equitable and free of disparate impact. For example, all eligible employees in a division could be provided a base amount with an incremental amount above the base going to employees with exceptional performance. If a potential conflict arises, HR Compensation should be consulted to ensure a merit distribution that is fair, equitable and free of disparate impact.

Merit pool contributions and award payments for employees in transition (i.e., transferring departments) will be handled on a case-by-case basis. Department heads will need to ensure that staff meeting the established eligibility criteria, even if they have been subject to recent salary increases, transfers or reclassifications, will be included in the merit considerations.

APPROVAL

Merit awards for staff employees must be recommended by each employee's supervisor and processed through the chain of command for consideration of approval by the respective divisional head.

ANNUAL PERFORMANCE EVALUATIONS REQUIRED^{vi}

Staff merit awards must be supported by an employee performance evaluation on file at the HR Office for each employee. Only staff meeting established performance evaluation criteria will be eligible for merit. Staff without a performance evaluation on file, as well as their supervisors, will not be eligible for merit unless sufficient documentation has been reviewed and approved by the VP of Human Resources and Talent Development. For information on the evaluation process, refer to the Handbook of Operating Procedures (HOP) ADM 04-504.

CONFIDENTIALITY

Supervisors must exercise caution in handling and disclosing merit award recommendations; until final approval by the President, recommendations are subject to change or retraction.

MAXIMUM ADJUSTMENT

Each merit award is limited to a maximum of 4% of an employee's base salary rate in effect as of July 1, 2023, but cannot exceed 4% or \$6,000, if 4% exceeds \$6,000. In very limited cases a division head in consultation with the VP of Human Resources and Talent Development may recommend, based on compelling justification, an award in excess of the maximum. Such recommendations will require the approval of the appropriate EVP/VP and VP of Human Resources and Talent Development. However, no unit or division may recommend an amount that would exceed their merit pool.

RESTRICTED AND OTHER SELF-FUNDED ACCOUNTS

Managers of restricted and other self-funded accounts, like all other areas of the institution, should follow the guidelines established by this document. Questions regarding restricted accounts may be directed to

Suelema Gonzalez, Director of Grants and Contracts, at 882-7716.

DISTRIBUTION ACROSS FUND GROUPS AND DEPARTMENTS ALLOWED

To allow flexibility, division heads are not restricted to awarding merit in proportion to the amount computed for each fund group (E&G vs. Auxiliary, etc.). Merit shall be awarded according to employee performance and should be independent of the funding source. Furthermore, division heads may wish to reallocate merit pool funds among their departments.

ADJUSTMENTS AFTER FINALIZATION OF THE PROCESS

Changes after the process is finalized will typically not be allowed. An example of a change that would not be allowed is redistribution of merit amounts due to employee departures. Limited post-process adjustments may be considered and typically involve an extraordinary circumstance and require the approval of the President.

SUBMISSION PROCEDURE

Merit recommendation templates shall be submitted through the organizational chain of command on the forms provided no later than November 16, 2023 to Human Resources using secure email submissions. After the data is reviewed, a listing will be distributed to each division head.

QUESTIONS?

Primary contact and issue resolution should be through the organizational chain of command. However, the following individuals in the Planning and Analysis and HR offices are available for assistance.

Planning and Analysis Contact:

Nidia Garcia, Sr. Financial Analyst
Position questions
(956) 665-7420
PositionControl@utrgv.edu

Human Resources Contact:

Kristina Chavez, Director Compensation and
Talent Acquisition
Compensation and Merit questions
(956) 665-5395
Kristina.Chavez@utrgv.edu

Human Resources Contact:

Hector Guerrero, HR Business Partner
Staff Employee evaluation questions
(956) 665-3814
HRPartners@utrgv.edu

ⁱ Eligible employees are *regular* permanent, benefits-eligible employees. This excludes waged, work-study and others who are not benefits-eligible.

ⁱⁱ UT System Operating Budget Instructions for FY 2024: Consistent with the Policies, it is expected that any pools for FY 2024 salary increases for merit, equity or other reasons are included in the Operating Budget. Funds set aside for merit increases and promotions are to be allocated within the Detail Budget to the Function Level (i.e., Instruction, Academic Support, Research, Institutional Support, etc.). Institutions may allocate salary pools to a lower level such as college or department, if desired. It is expected that merit salary increases will be awarded only on September 1, 2023, unless prior approval has been received from UT System Administration. This would have been discussed in the Budget Goals and Priorities discussion and reported with the Compensation Plan.

ⁱⁱⁱ Eighty-eighth Legislature General Appropriations Act for the 2024-25 Biennium; Article III-272, sec. 4 . *Merit Authorization*. “It is expressly provided that institutional administrators may grant merit salary increases to employees whose job performance and productivity is consistently above that normally expected or required”. Sec. 5 -*Merit Requirement for Faculty and Faculty Equivalent Employees of Institutions and Agencies of Higher Education*. “Notwithstanding any other provisions of this Act, salary increases for faculty or faculty equivalent employees of institutions of higher education shall be awarded on the basis of merit and performance in accepted activities. This shall not be interpreted so as to preclude salary adjustment designed to avoid salary inequities”.

^{iv} Board of Regents Budget Preparation Policies, Fiscal Year 2024: Merit Increases and Promotions - Institutions should consider available resources and resolution of any major salary inequities when implementing merit salary increases for faculty and staff. As defined in Texas Education Code Section 51.962, an employee must have been employed by the institution for the six months immediately preceding the effective date of the increase to be eligible for a merit increase, and at least six months must have elapsed since the employee's last merit salary increase. These limitations also apply to one-time merit payments. Merit increases or advances in rank for faculty are to be on the basis of teaching effectiveness, research, and public service. Merit increases or promotions for administrative and professional staff and classified staff are to be based on evaluation of performance in areas appropriate to work assignments. In accordance with Regent's Rules and Regulations, performance appraisals are to be conducted annually for all employees of the U. T. System. The U. T. System Administration Office of Talent and Innovation will issue specific guidance related to this requirement.

^v Texas Education Code Sec. 51.962. MERIT SALARY INCREASES. (a) An institution of higher education as defined by Section 61.003 may grant merit salary increases, including one-time merit payments, to employees described by this section. (b) A merit salary increase made under this section is compensation for purposes of Chapter 659, Government Code, and salary and wages and member compensation for purposes of Title 8, Government Code. (c) An institution of higher education may pay merit salary increases under this section from any funds. (d) Before awarding a merit salary increase under this section, an institution of higher education must adopt criteria for the granting of merit salary increases. (e) To be eligible for a merit salary increase under this section, an employee must have been employed by the institution of higher education for the six months immediately preceding the effective date of the increase and at least six months must have elapsed since the employee's last merit salary increase. (f) This subsection applies to an employee employed by the institution of higher education for more than six months. The requirement that six months elapse between merit salary increases prescribed by Subsection (e) does not apply to a one-time merit payment if the chief administrative officer of the institution of higher education determines in writing that the one-time merit payment is made in relation to the employee's performance during a natural disaster or other extraordinary circumstance. Added by Acts 2001, 77th Leg., ch. 118, Sec. 2.02, eff. Sept. 1, 2001. Amended by Acts 2009, 81st Leg., R.S., Ch. 1241, Sec. 1, eff. June 19, 2009.

^{vi} Handbook of Operating Procedures (HOP) ADM 04-504, D.2.m: “Salary increases related to promotions and merit awards will require that a current and satisfactory appraisal be on file with the Office of Human Resources”. HOP ADM 06-502: D.8.a and b: “The outcome of each faculty member's annual performance evaluation will be used in determining the amount of merit awarded to the faculty member ...”, “To be eligible for merit, faculty must receive “exceeds” or “meets” expectations in the overall evaluation result.”