

Merit Pay Policy

(adopted by the Faculty Council on January 22, 2002 and by the Board of Regents on February 5, 2002)

Goals of the Plan

- The plan should provide a mechanism to individuals and departments to improve their performance. This should continue even after a department or individual has reached a high level of performance.
- The plan should reward individuals and departments for excellent performance.
- The plan should promote improved communication between the Vice President for Academic Affairs and the academic departments as well as between the faculty within each department.
- The plan should be understandable by faculty. There should be no perception that the computation of merit pay raises is arcane or arbitrary.
- The plan should recognize that there are significant differences in the roles and responsibilities of faculty members, both within and between departments.
- The plan should include evaluations of faculty in the areas of teaching, research, and service, with the ratings combined into an overall rating by a weighted average. The weights associated with teaching, research, and service should vary both within and between departments based on the roles of individual faculty members.
- The plan should include a process by which the chair's ratings are reviewed by the VPAA.
- The plan should be resistant to problems of "grade inflation."
- The plan should distinguish between pay raises for merit and pay raises designed to bring salaries to market levels. Artificial adjustments to merit raises should not be used as a way to adjust salaries to deal with market conditions. To do otherwise tends to undermine the incentive and reward function of the plan.

Summary of the Plan

In response to the above goals, we have developed this proposal for a new merit pay policy. In this proposed policy, individual faculty members prepare annual personal activity reports (PAR) as in the current system. Each faculty member is assigned a Faculty Merit Factor (FMF) by the chair. The FMF will be determined by criteria and weighting factors established by the department. Each department is strongly encouraged to devise and agree upon a policy by which FMFs are assigned in that department. This policy can include evaluation of faculty based on a

two or three year performance period; however, the majority of the weighting should be on the preceding calendar year. Department chairs should document the implementation of this departmental policy in assigning FMFs and should present this documentation to the VPAA along with all FMFs. Each academic department will prepare an annual departmental activity report which is submitted to the VPAA. The VPAA will evaluate the performance of the departments with respect to their goals and missions, and assign a Departmental Merit Factor (DMF) to each department. The FMF and DMF are combined in a formula that produces each faculty member's percentage raise.

Procedure

1. Each faculty member will complete an annual professional activity report (PAR) and submit it to the chair of the department. Department chairs and faculty in a unit with only one faculty member will submit their reports directly to the Vice President for Academic Affairs (VPAA). PAR's are to be submitted by February 1.

2. Department chairs will review the PAR's and rate faculty performance in the three areas of teaching, research, and service. A weighted average of these ratings will then be assigned as the faculty member's Faculty Merit Factor (FMF). The individual FMF's are to range from 0 to 10. The department chair will meet with each faculty member in the department to review the PAR and FMF. The faculty member will have the opportunity to add his/her own comments to the evaluation. The faculty member will sign the evaluation to indicate that it was discussed with the chair.

All non-tenure-track teaching faculty should also be evaluated. The weighting of their teaching relative to other activities should be weighted according to their assigned duties.

Faculty who are not returning to teaching at New Mexico Tech (those who have officially resigned or who have submitted letters indicating their retirement) should not be evaluated.

3. Each department will prepare a Departmental Activity Report (DAR) summarizing the recent activity of the department in the context of the goals and plans of the department.

4. The department chair will submit the DAR, PAR's, FMF's and supporting documentation to the VPAA by March 1.

5. The VPAA will review the materials from all departments and assign Departmental Merit Factors (DMF). The DMF's are to range from 3 to 7 with an average near 5.

6. The VPAA will meet with each of the department chairs to review the DMF's and FMF's. The VPAA will also assign an FMF for each department chair. After these meetings, the VPAA will finalize the FMF's and DMF's.

7. The total pool of money available for pay raises will be allocated into three pools, with the first pool being satisfied before funds are allocated to the second pool, and the second pool being satisfied before funds are allocated to the third pool.

The first allocation is to promotional raises. The promotional raises were \$2,500 for associate professors and \$3000 for full professors in 2001. These promotional raises should be evaluated yearly by the VPAA to insure that they are significant relative to current salaries.

The second pool is a discretionary pool that is reserved for use by the VPAA at his/her discretion. The amount allocated to the discretionary pool will be 25% of the available money or 0.4% of the total of faculty salaries, whichever is larger.

The third allocation is to the merit raise pool. Merit raises will be computed according to the following formula:

FMF(i) Faculty member *i*'s FMF.

DAFMF(i) Average FMF of faculty *i*'s department.

DMF(i) DMF of faculty member *i*'s department.

SALARY(i) Current salary of faculty member *i*.

PERCENT RAISE(i) Faculty member *i*'s percent raise.

POOL Total \$ available for merit raises

n Total number of faculty.

$$POOL * (FMF(i) / DAFMF(i)) * DMF(i) * 100$$

$$PERCENT RAISE(i) = \frac{\text{---}}{\text{---}} \%$$

$$SUM((FMF(j) / DAFMF(j)) * DMF(j) * SALARY(j), j=1..n)$$

$$PercentRaise(i) = \frac{Pool * DMF(i) * (FMF(i) / DAFMF(i))}{\sum_{j=1}^n [Salary(j) * DMF(j) * (FMF(j) / DAFMF(j))]} * 100\%$$

8. The academic affairs office will publish a memo to all faculty giving the pool for total promotion raises, the discretionary pool, the merit pool, the DAFMF's and , DMF's, and the denominator of the pay raise formula. This memo shall be distributed to faculty, along with the proposed raises, by March 25. Appeals by Chairs and/or individual faculty can be submitted to the VPAA within 5 working days.
9. The final package will be submitted to the President for approval. Contracts will be delivered to faculty members by April 15.

Joint Appointments Policy

Faculty whose salaries are supported on a regular basis by a research group at Tech (joint appointments) will also have their evaluations reviewed by the appropriate research supervisor. The Vice-President for Academic Affairs and the cognizant division director will concur on the recommended raises or submit their recommendations to the President for decision if there is a disagreement.

Sabbatical Leave Policy

Individuals on sabbatical leave or on leave of absence for the entire year will receive their preceding year's merit rating unless exceptional circumstances occur. In the latter case, any changes in the merit rating must be thoroughly justified and documented. People on sabbatical or leave of absence for part of the year will have their merit rating determined by proportionate combination of the prior year's rating and the performance evaluation for that period when they were on leave.

Faculty Merit Factor (FMF)

FMF Assignment: Department chairs will review the PAR's and other information (e.g., teaching evaluations), rating faculty performance in the three categories of teaching, research, and service. Ratings that reflect factors not documented in the PAR or teaching evaluations (e.g., exemplary or deficient performance in a category) should be documented by the Departmental Chair in a memo to the faculty member and attached to the PAR before submission to the VPAA. Within each category, faculty will be rated on a scale of 0 to 10. A weighted average of the three ratings becomes the overall FMF. Appropriate weights will have been previously determined by the department, and reported to the VPAA. The FMF is a relative rating of the performance of the faculty members in the department. Note that the formula used for calculating raises normalizes the FMFs within a department, so there is no advantage to a department in inflating FMFs relative to those of other departments.

The chair will review the submitted Professional Activity Reports (PAR's), and for each of the areas of teaching, research, and service rate the faculty within the department on a scale of 0 to 10. For each faculty member, a weighted average of these three ratings is computed as the individual's faculty merit factor.

Assignment of Weights: The weights used in computing the FMF must sum to 100% for each faculty member. Weights will vary, reflecting the effort that different faculty members put into teaching, research, and service. However, weights must be agreed upon by the faculty member and chairman prior to the beginning of the period under review, and these weights must be approved by the VPAA.

Quantity vs. Quality: The system of weights on teaching, research, and service is designed to account for the difference in faculty roles between and within departments, and at different stages in the academic career. The weights should reflect not only the percentage of time and

effort being spent by the faculty member in each of the three areas, but also reasonable expectations for quality of the work and level of productivity.

Effects of Rank: Merit ratings should take into account the rank of the individual faculty member. The roles of full professors are expected to be different from those of assistant professors. The policy on promotion and tenure sets general guidelines as to what is expected of faculty at each of the three ranks.

Evaluation of Teaching: Factors to be considered in the evaluation of teaching include course enrollments, new course development, improvements to existing courses and laboratories, student evaluations of teaching, advising, and supervision/advising of theses and dissertations.

Evaluation of Research: Research and other scholarly activity can be demonstrated in many ways. Specific activities to be included in this evaluation are public presentations (especially invited talks), journal articles, books, grants proposed and funded, service on review panels, patents and other intellectual property, awards and recognition from professional societies, and technical staff, post-docs & graduate research assistants supervised. In evaluating research activity both the quantity and quality of the faculty member's research activities are to be considered.

Evaluation of Service: Professional service at the level of the department, the institution, the profession, and the state, and nation are to be considered. Excellence in service requires involvement at many levels. Specific activities to be included in this evaluation include service on departmental and institute wide committees, tenure committees, faculty council and institute senate offices, offices in professional societies, journal and book editorial positions, service to other universities, and service to federal and state agencies, and to non-governmental agencies.

Departmental Merit Factor (DMF) Policy

The purpose of the Departmental Merit Factor (DMF) is to recognize excellence in the contributions of a department to the primary goals of the institution. The DMF should not be considered a mere summation of the individual efforts of the faculty, but should attempt to favor achievement of specific goals via group contributions. The DMF plan and evaluation process in itself forms a mechanism for continual self-assessment and improvement; and therefore, will be integrated with the current Assessment Process.

During the first merit pay review period, the department faculty will convene to collectively agree upon several major goals for the department (See Definition of Goals below). The goal list will be negotiated with the VP of Academic Affairs and VP of Research. The complete goal statement will be consistent with the needs of the institution Institute's Mission and Goals, and should include metrics.

For the first merit review the goals will be evaluated using information from the initial Department Activity Report. Departmental Activity Reports will be 3 pages maximum, with attachments as necessary. Progress toward goals, level of productivity, improvement, resources consumed, and impact on institutional efforts will be considered in the DMF rating.

Following review of all Dept. Activity Reports, the VPAA will assign a DMF to each department. The DMF is to range from 3 to 7 with a targeted average of 5. The DMFs and submitted departmental reports will be published.

Each goal should have a stated impact, timeline, and expected milestones. Milestones must specifically address what will be accomplished within the next review period. Goals could have both short and long term timeframes, but must allow for some ability to evaluate progress on a yearly basis. The goal statement should also identify how the specific goal cascades with the broader goals Mission and vision Goals of the Institute. Progress toward a goal must be presented as a quantifiable or succinctly describable outcome. Goals should reflect more than simple summations of individual efforts and should seek to engage groups of faculty members to solve larger problems and improve the educational environment at Tech.

Examples of Goals:

1. Placement: The Department will increase the pool of employers of Tech grads to reflect the broader chemical industry. (historical data, current level, plan to accomplish, milestones (-number of interviews-), outcomes: student placement).
2. Enrollment: Department undergraduate enrollment will increase to 85 undergraduates by 2005 (historical enrollment, plan to accomplish, milestones: specific recruitment efforts, outcomes).
3. Enhance Research: The Department will develop a national reputation of program (research): for excellent research and research leadership in the general area of caves and karsts.