



## MEMORANDUM

TO: University senior leaders  
FROM: Rachel Croson, Executive Vice President and Provost  
Kenneth E. Horstman, Vice President for Human Resources  
DATE: May 17, 2023  
RE: Fiscal year 2024 compensation planning instructions  
HEADER: Office of the Executive Vice President and Provost  
Office of Human Resources

Dear Colleague,

After a review of economic trends, budgetary realities, and our academic aspirations, we are proposing the following merit increase guidelines for fiscal year 2024 (July 1, 2023, to June 30, 2024). All increases should be made effective June 19, 2023.

Included are details about:

- Annual merit increase percentage
- Guidance on implementing and awarding a market adjustment account
- Increases to salary range minimums (including salary floors), midpoints, and maximums
- Structured promotional increases

The information in this memo applies to the following employee groups:

- Faculty in the 94xx job code series at U of M Morris, U of M Rochester, and U of M Twin Cities
- Academic Professional and Administrative (93xx, 96xx, and 97xx series)
- Civil Service
- Postdoctoral associates (9546)

These guidelines do *not* apply to:

- Employees covered by collective bargaining agreements. These groups have compensation plans negotiated into their collective bargaining agreements. ***A separate communication will be issued about Graduate Assistants.***

### **3.75% Merit Increase Pool to Be Recommended to the Board of Regents**

Mindful of budget constraints, the University of Minnesota is incorporating a 3.75% merit increase pool in the President's recommended operating budget for fiscal year 2024. The merit pool must be calculated by multiplying 3.75% by the total base salaries of a unit's eligible faculty and staff (noted above). The total dollar amount awarded in merit increases cannot exceed that 3.75% pool.

The President's recommended budget, including the proposed merit increase, will be brought to the Board of Regents for review and action in June. The budget, and therefore the merit pool, is not finalized until approved by the Board of Regents. If the Board of Regents makes any change in the merit increase pool, we will notify you immediately with further direction. Any communications to employees should be

held until the final merit increase pool is approved by the Board of Regents. If it is imperative to send communications before this final approval, all communications should state that the increase is contingent on final approval of the budget by the Board of Regents in June.

For FY2024, the University is following the standard practice of linking the merit pool award to performance. All faculty and staff not covered by a collective bargaining agreement should receive compensation increases based on individual merit, as opposed to all employees receiving an "across-the-board" increase. This means that within each unit, managers should allocate their increases so individual employees receive merit increases that vary based on their performance. Please read [Merit Pay Increases—Design Options](#) for ideas on how to structure your merit pay pool.

The annual increase process should be completed by the end of fiscal year 2023, and salary increases should be reflected in the new base pay rates for fiscal year 2024. University policy requires annual written performance evaluations for all employees. Each campus, college, or unit is required to record in PeopleSoft the dates of all completed performance reviews.

### **Market Adjustment Pool**

In addition to the 3.75% merit pool, the University is incorporating a 0.25% market adjustment pool into the annual budget process for fiscal year 2024, and the University is providing instructions for structuring and awarding this type of [salary increase fund](#). This market adjustment pool should be calculated by multiplying 0.25% by the total base salaries of a unit's eligible faculty and staff (noted above). Any market adjustments planned by your unit should be funded within this 0.25% pool or separately identified recurring funds available in your budget. If your unit has no planned market adjustments, please contact Provost Rachel Croson and OHR Vice President Ken Horstman. They will work in partnership with the Budget Office to discuss how best to manage the 0.25% allowance in the budget.

Each campus, college, or unit is encouraged to further assess faculty salaries during the University's Salary Equity Review Committee (SERC) process. Guidance on this process is available [here](#), and units may reserve some portion of the merit pool for the SERC process.

### **Postdoctoral Associates**

As stated above, postdoctoral associates are eligible for the annual merit increase. However, increases for these roles are typically awarded at different times of the fiscal year as determined by each campus, college, or unit, with the timing typically aligned with the end of the fiscal year, the beginning of the academic year, or the associated contract date.

### **Undergraduate Student Workers**

The salary floor for undergraduate student workers was increased from \$10.33 to \$15.00 an hour as of September 26, 2022. For more guidance, refer to the [Undergraduate Student Compensation Planning Instructions](#).

### **Approval Needed for Variations to 3.75% Merit Pool**

If a campus, college, or unit (Resource Responsibility Center—RRC) has a compelling business need to provide a merit pool greater than or less than 3.75%, the campus, college, or unit must submit written justification by May 26, 2023, to Provost Rachel Croson and OHR Vice President Ken Horstman, as noted below. Any proposal to reduce the average merit pool below 3.75% should be grounded in data reflecting how salaries in the unit meet or exceed relevant market comparisons. The Provost and the OHRVP will consult together and with the Finance and Operations Office as necessary on any review of written justifications. The justifications should be sent to [provost@umn.edu](mailto:provost@umn.edu) and [ohrvp@umn.edu](mailto:ohrvp@umn.edu).

### **3.75% Increase to Salary Floors and Salary Ranges That Have Not Been Refined**

Effective June 19, 2023—the first day of the first pay period in FY2024—the salary floors and salary range minimums, midpoints, and maximums *for positions that have not gone through market refinements* will increase by 3.75%. This includes the following job families:

- Administration
- Education
- Libraries
- Research

The postdoctoral associate salary floor will be increased to \$54,840.

The salary ranges for all other job families have been refined to match the market more closely and are adjusted each January to reflect the market.

### **Other Forms of Salary Increases**

In addition to annual increases, some people may receive other forms of increases during fiscal year 2024. It is important to note that the 3.75% merit pool excludes increases required to bring salaries to the new salary range minimums and floor minimums. It also excludes any increases related to promotions, retention offers, and other forms of pay increases. Increases for these reasons must be approved through standard procedures, will add cost on top of the 3.75% merit pool, and must be tracked separately.

Guidelines for promotional increases:

#### *For regular faculty*

The minimum base salary increases for faculty on the Twin Cities, Morris, and Rochester campuses who receive promotions or tenure in FY24 are outlined below. Note that campuses, colleges, or units may provide increases that exceed these amounts provided they are accounted for in department budgets.

- Assistant professor without tenure to associate professor with tenure: At least \$4,100
- Assistant professor with tenure to associate professor with tenure: At least \$4,100
- Associate professor without tenure to associate professor with tenure: At least \$4,100
- Associate professor without tenure to professor with tenure: At least \$5,000
- Associate professor with tenure to professor with tenure: At least \$5,000

Please refer to the UEA bargaining unit agreements with respect to FY24 promotional increases for faculty on Duluth and Crookston campuses.

#### *For non-regular faculty*

Promotional increases for non-regular faculty are awarded at the discretion of the campus, college, or unit. Increases must be consistent with past practices, may not exceed the increases provided to regular faculty, and must be implemented in a non-discriminatory manner.

### **Questions**

If you have questions about these compensation planning instructions, please contact your campus, college, or unit's human resources department. Documents linked here will also be available on the [Salary Plans](#) page of the OHR website.

Sincerely,

Rachel T. A. Croson  
Executive Vice President and Provost

Kenneth E. Horstman  
Vice President for Human Resources

This email was sent to University senior leaders on behalf of Rachel T. A. Croson and Kenneth E. Horstman on May 17, 2023, by the Office of Human Resources, 100 Donhowe Building, 319 15th Ave SE, Minneapolis, MN, 55455, USA. The University of Minnesota is an equal opportunity educator and employer. [Read our privacy statement.](#)

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