**Faculty Base/Plus Compensation Guidelines**

School of Engineering

University of New Mexico

 *March 31, 2021*

# Motivation and Goals:

Retaining the best and brightest faculty in the School is a key to our success.

* 1. SOE Compensation Guidelines focus on supporting engineering faculty in areas that align with the SOE and UNM Strategic Plans. These areas should leverage core competencies of the SOE faculty and channel their aspirations for transformational research and economic development of global, national, and state importance.
	2. Chairs and Center Directors focus on retaining and rewarding faculty should follow these and UNM’s guidelines with the goal being reward and recognition of high performers in order to continue to meet the critical needs of our students and engage in high impact research for the betterment of the School.
	3. Creativity and the exploitation of emerging trends in engineering education and research should a factor when considering all varieties of compensation mechanisms that will motivate our faculty and staff to continue to increase the visibility of the School.

The SOE Compensation Guidelines are a living document that are intended to change as needed. They are meant to help Chairs and Center Directors to understand, in general terms, the parameters and processes involved in salary administration in the School.

# Guiding Principles

These guidelines have been created in order to define the mechanisms needed to recognize outstanding performance, retention, equity, market increases and other salary administration issues for faculty in the School of Engineering. They apply to any unit under the level three organization code of ABK, which is School of Engineering. They are meant to be used in conjunction with the UNM Faculty Handbook, any and all applicable UNM Policies and Procedures, and local, state and federal laws and guidance around salary administration for public employees. No compensation adjustment may be made within the School without the approval of the Dean and the Provost.

# Faculty Base Plus Compensation

The University of New Mexico is a Carnegie Doctoral Universities: Very High Research Activity designated institution of higher education (the highest-level Carnegie designation based on a number of factors, including the level of research funding), and as such, the faculty in the School of Engineering (SoE) are extremely research active. For those research active faculty, or faculty with equivalent non-Instructional & General (I&G) available funding, the “Base Plus” model has been created to explore a flexible compensation strategy which will reward SoE faculty for productivity in all areas of our mission – education, research/scholarship/creative works, and service. The explicit link between performance and compensation is the most important goal of the compensation plan.

**Base Definition:** For a full-time, 9-month tenured or tenure-track faculty member, this is the amount of your 100% contracted salary with the University of New Mexico.

**Plus Definition:** For a full-time, 9-month tenured or tenure-track faculty member, the amount of the 100% I&G base may be redefined as 90% of base, and an additional 10% compensation may be added back in from non-I&G funding\* sources to comprise a new 100% base rate.

For example:[[1]](#footnote-1) $100,000 = Original I&G base of 100% (less any SAC)

 $100,000 = New I&G base of 90%

 $11,111 = Non I&G, or Plus portion of 10%

 $111,111 = New Base Plus of 100%

*\* Non-I&G sources may include any restricted or unrestricted funds, excluding faculty start-up, as long as any restricted funds are used in compliance with sponsoring guidelines, contract and donor intent.*

**Base Plus Components:**

1. According to this proposal, SoE faculty will be able to lower their I&G base to 90% of their total compensation, Plus add up to 10% of their total 100% compensation from their research, endowed, or any other non-I&G funds. Base reductions to 85% I&G, Plus 15% from non-I&G funding will be allowed only on a case by case basis as approved by the Dean. To be eligible for the Base Plus compensation model, a faculty member must have enough Plus portion in non-I&G funding to fund themselves for a minimum of one Academic Year (AY). More than 15% Plus funding will not be allowed except under extraordinary circumstances and with approval by the Dean and the Office of the Provost.
2. Workload for SoE faculty participating in the Base Plus model is not reduced and is still covered by the SoE Academic Load Policy.
3. Plus salary components are not guaranteed and will terminate if non-I&G funding becomes unavailable for any reason.
4. Faculty participating in the Base Plus compensation model must continue to support graduate students via assistantships, tuition (including differential), and fringe benefits at the level set by their Department Chair in consultation with the SoE Dean, as well as any support of Fellows, Post-doctoral fellows, and similar positions required by the Department or School.
5. Faculty who have less than a “meets” in any category for two consecutive years on their annual performance review are not eligible to participate in Base Plus compensation. This should provide an incentive for faculty to maintain at least the standard expected level of productivity. Faculty Reviews are covered in the Faculty Handbook, Section B.4.
6. Retirement contributions and benefits will be calculated on the basis of the 100% compensation rate, or the I&G Base and Plus components.
7. For contract and grant proposals, salaries will be based on the 100% compensation rate which will be the I&G Base and the Plus compensation components.
8. Percentage raises that result from annual salary adjustments, counteroffers, retention offers, or merit increases will be calculated on the basis of the now-90% base (old 100% base), but will be cumulative.
9. For faculty members who no longer have funding for the ‘Plus’ component of salary, their 100% base will re-adjust back to the old 100% base plus any annual, merit, or other base increases they have received (excluding the ‘Plus’ component).
10. Research faculty are not I&G funded and are not eligible for Base Plus compensation.

**Process for implementation:**

1. All Base Plus discussions must happen at budget time, which is March of each year, and be incorporated into annual departmental budgets and salary planner.
2. For eligible faculty to participate in the SoE Base Plus compensation model, the first step is to discuss participation with your Department Chair.
	1. Faculty must bring evidence of available non-I&G funding for the Plus portion of their compensation to the meeting with the Chair. This can be requested from your Departmental Accountant.
	2. The faculty non-I&G Plus portion of compensation must be enough to support you for a minimum of one academic year.
3. If the Department Chair does not approve participation in the Base Plus plan at this time, they will follow-up in writing with the faculty member via email about the decision. If they do approve participation, they will notify their Departmental Accountant and Department Administrator to begin the compensation adjustment process.
	1. The faculty member’s Department will submit the appropriate form and offer letter for the change to the Dean’s office, and upon approval, to the Office of Faculty Affairs and Services for processing.
	2. The Department will update the faculty member’s Base Plus salary distribution during budget season, which is March of each year.
	3. Faculty denied participation by their Department Chair may appeal to the SOE Dean.
	4. New 9-month faculty hires may elect to participate immediately.

These guidelines have been developed in dialogue with the Office of the Provost, and any future changes will be vetted with the Office of the Provost prior to implementation.

1. Note that the arithmetic here is simple but not obvious at first glance: In re-setting the base, the calculation looks like this: .90 x N = B so N=B/.90 wherein B=old base and N=new base. Thus the numbers in the example given. [↑](#footnote-ref-1)