

UNIVERSITY OF THE VIRGIN ISLANDS

Improvement of Employees' Salaries and New Performance Incentive Plan

Purpose: To authorize the approval of a compensation adjustment plan for faculty of the University of the Virgin Islands for Fiscal Year 2005, rescission of merit award policy and approval of a new performance incentive plan.

WHEREAS, the University is committed to developing and maintaining levels of employee compensation that are sufficiently competitive to enable the institution to carry out its mission; and

WHEREAS, the University is expected to maintain fair compensation policies that respond to market changes, keep pace with the cost of living, motivate high performance, recognize employee and job growth, are affordable to the university, and comply with the requirements of applicable law; and

WHEREAS, it is becoming increasingly difficult to retain teaching faculty at present salary levels; and

WHEREAS, the overall salary levels of the University are generally below optimal ranges, and are continuing to contribute to high turnover especially among the faculty; and

WHEREAS, the University's salary disparities among faculty are substantiated by a comparison to the College and University Professional Association *for* Human Resources' (CUPA-HR) 2003-2004 National Faculty Salary Survey by Discipline and Rank in Four-Year Colleges and Universities (CUPA-NFS Survey) report, which is widely recognized as an authoritative source of faculty salary data by discipline and rank and is a valuable benchmarking tool; and

WHEREAS, the University's most significant salary disparities, when its salaries are compared with salaries in the CUPA NFS Survey are in the Business Administration, Accounting, Computer Information System, and Computer Science disciplines; and

WHEREAS, the aforementioned disciplines are within the Business and Math and Science Divisions which produced approximately 70% of the graduates in the 2004 graduating class; and

Whereas, the University is cognizant of the need for market-based salary adjustments; and

WHEREAS, the University has not implemented salary adjustments for its employees since Fiscal year 2001-2002; and

WHEREAS, the University has not been able to award annual merit increases to employees for several years because of the unavailability of funds; and

WHEREAS, in a special meeting on November 8, 2003 the Board of Trustees directed the administration of the University to prepare a plan for the review and approval of the Board of Trustees to pay a salary increase, or at a minimum, a bonus, to faculty and staff of the University in Fiscal Year 2005; and

WHEREAS, the University is anticipating an increase in its Virgin Islands Government allotment above the amount used in its Gap Funding Plan which was approved by the Board of Trustees in special meeting on November 8, 2003.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF THE VIRGIN ISLANDS AS FOLLOWS:

1. The University adopts the following policy statements:

- a. The University's policy governing the awarding and payment of merit increases for current, full-time employees of the University, as set forth in the resolutions of the Board of Trustees adopted on the following dates and applicable sections specified, is hereby rescinded and is no longer in force and effect as of the effective date of this resolution:
 - i. June 14, 1997 in full,
 - ii. October 17, 1998 in full, and
 - iii. October 12, 2001 – Section 2
- b. The University will continue to annually evaluate the performance of its employees.
- c. A performance incentive program will be developed to reward excellence in employee work performance based on outcomes, accomplishments and results that are linked to accountability objectives as stated in the approved Strategic Plan for the University, and that for Fiscal Year 2005, approximately \$480,000 shall be made available for performance incentive awards.

2. That effective with the University's Fiscal Year 2006 annual budget, this resolution rescinds the University's policy of including in its annual budget submission to the Legislature of a line item request for funds to cover the cost of merit increases to UVI employees, as set forth in a resolution of the Board of Trustees adopted on June 14, 1997.

3. That the sum of \$1.5M be allocated from the FY2005 appropriation to fund equity and market salary adjustments to teaching faculty and bonuses (a bonus being

defined as a payment to an employee that does not change the employee's base pay) to all other faculty and staff as follows:

- a. To adjust the salaries of full-time teaching faculty to reduce inequities within academic disciplines; approximate cost \$250,000.
- b. To adjust the salaries of certain full-time teaching faculty to improve their position relative to the average salary of such positions in the national market ; approximate cost \$270,000;
- c. To award a three-percent bonus to all full-time employees exclusive of teaching faculty who would be receiving equity and market adjustments per subsections (a) and (b) of Section 3 of this resolution; approximate cost \$820,000; provided that an adjustment would be made for faculty who have received equity and market adjustments which in the aggregate are less than three (3%) to allow such affected faculty to receive a bonus equal in percentage to the difference between the percentage of salary increase resulting from the actual equity and market adjustments and the three percent (3%) bonus.
- d. To award a 15% salary adjustment to the part-time teaching faculty to improve the University's ability to attract and retain these very valuable members of the teaching staff; approximate cost \$180,000.

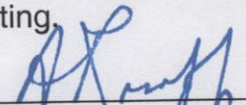
4. That the University commission a study to review salaries of all employees to determine their comparability and to establish a new pay plan, if warranted.

5. That this Resolution shall take effect October 1, 2004, **subject to the availability of funds.**

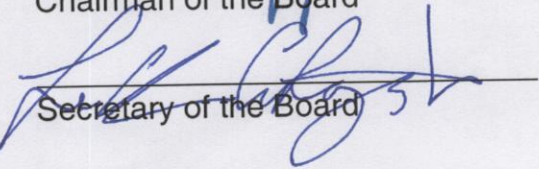
6. That the President and Vice-President for Administration and Finance are authorized to take such actions as are necessary and proper to implement this resolution.

CERTIFICATION

The undersigned hereby certify that the foregoing is a true and exact copy of a resolution of the Board of Trustees of the University of the Virgin Islands adopted at its meeting on Saturday, October 16, 2004, as recorded in the minutes of said meeting.



Chairman of the Board



Secretary of the Board

10-25-04

Date

Oct. 25, 2004

Date