AcDean Townhall
December 1, 2016

Merit Pay Plan Process
Merit Pay First Principles

• The annual labor budget is fixed
  – There is no “in flow” of salary dollars from an external source
  – Annual salary adjustments are driven by the “water wheel”

• System is merit-based
  – And based on available funds … as stated above

• At the Dean’s level, the assumption is that performance is equitably distributed across divisions
  – No preference for / against any division
  – Resources (steps) are allocated based on number of eligible faculty
Water Wheel Components

**Long Term Assets**
- Retirements
- Resignations

**1-year Assets**
- Leave Without Pay
- Reimbursable buy-backs
- Full Year Sabbaticals

**1-year Commitments**
- Adjuncts
- NARCs
- CIPs
- Summer Labor Needs

**Long Term Commitments**
- New Hires
- Merit Pay Steps
- Promotions
  Leveraging the delta between higher-cost departures and lower-cost arrivals

- **Full Year Sabbaticals:** employee @ 70% salary (leaves 30% asset for one year)
- **NARCs:** Naval Academy Research Council Grants
- **CIPs:** Curriculum Improvement Program Grants
- **Summer Labor Examples Include:**
  - Validation / Placement; Summer School; Plebe Advising; Course Development; Support for Plebe Parents Weekend
FY17 Pay Plan Results (Faculty)

<table>
<thead>
<tr>
<th>Eligibles Receiving a Pay Increase (AcDean, LEAD, PE)</th>
<th>Men</th>
<th>Women</th>
<th>Asst</th>
<th>Assoc</th>
<th>Full</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>74.9%</td>
<td>78.6%</td>
<td>88.5%</td>
<td>65.4%</td>
<td>77.6%</td>
<td>76.1%</td>
</tr>
</tbody>
</table>

Cash Award Total as Part of the Merit Pay Plan: $65,800
Merit Pay Increase Total: $572,646*

Eligibles Receiving a Pay Increase does NOT include:

- Those at Step 57 and above
- New promotees (23)
- New hires (21)
- Term appointees whose contracts were renewed / renegotiated

*Does not include projected 1.6% COLA in Jan 2017