

December 15, 2019

From: Doug Unger, Immediate Past-Chair, UNLV Faculty Senate
& Immediate Past-Chair, Council of Faculty Senate Chairs, NSHE

TO: Chair, Regent Amy Carvalho, and members of the NSHE Task Force on Performance Pay Administration and Support: Regent Carol Del Carlo, Regent Sam Lieberman, Regent John T. Moran, Student Robert Lemus (NSC), Student Andrew Sierra (CSN), Student Nathaniel Waugh (UNLV), Faculty Senate Chair Dr. Serge Ballif (NSC), Faculty Senate Chair Dr. Brian Frost (UNR), Faculty Senate Chair George Kleeb (GBC), VP & Chief HR Officer Ericka Smith (UNLV), Business Officer Jim New (TMCC), Business Officer Jean Vock (UNLV), NSHE CFO Andrew Clinger, NSHE Vice Chancellor Crystal Abba

RE: Letter in lieu of Public Comment, with suggested language revisions to Performance Pay Task Force or 2021 Appropriations Act documents and possible revisions of the Board of Regents Handbook

Dear Regent Carvalho, Regents, Students, and Distinguished Members of the Committee:

Thank you all for serving on this task force, which is of primary importance to NSHE faculty. The decisions you make going forward will, I believe, determine the future of our NSHE institutions, as high quality education is impossible to achieve without hiring and retaining quality faculty. By last year's surveys of UNLV and UNR faculty, we know salary issues are the number 1 concern. We are still gathering information, but we are learning that, over the past year, because Nevada faculty salaries are nearing 15% below the national average, and due to the current lack of any comprehensive means of awarding performance pay for faculty, we are experiencing an accelerating attrition of the best and brightest professors and researchers, much to the detriment of our NSHE institutions continuing to be able to provide the best possible higher education experiences and outcomes for Nevada students. I believe all on this Task Force understand these deteriorating salary issues without further elaboration, and that you are all at the table with a willingness to work on possible solutions, for which we are grateful.

Concerning your working session on December 19, I would like to make the following suggestions, hoping they will be helpful to the deliberations of the committee:

First: to propose, as has been reported to our UNLV Faculty Senate Executive Committee, that each NSHE institution must fulfill a mandate to provide a "merit pool" of a certain unspecified percentage from their individual institutional budgets, I believe is not the best approach. Even though the perception may be that the Nevada Legislature and the Governor will not favorably receive a budget request from NSHE for the purposes of funding performance pay, we should still ask for it, and—as has been suggested by several Regents, and promised by at least two—we should put that budget request for performance pay first on the NSHE budget submitted to the

Governor and Legislature. Not doing this will be viewed, I believe, as a betrayal of trust in the budgeting process carried over from the 2019 cycle, and will lead to a further erosion of faculty morale and support for other vital NSHE policies and mandates. To put it more directly: not putting salary funding at the top of the NSHE budget may lead to unwelcome faculty resistance to NSHE and its leadership. Faculty need this support. For the Board of Regents not to provide it will lead to dismay that will directly affect the operations of our colleges and universities. **NSHE must include a request to fund performance pay in the 2021 proposed budget in order to keep faith with Nevada faculty. At the very least, we should request matching funding from the state.**

Second: as has been reported to our Executive Committee following the last meeting of the Task Force, any suggestion that faculty performance pay should be funded by additional student fees is not advisable, and, based on preliminary discussions with UNLV faculty, staff, and student leaders, I am convinced that our faculty will not support additional student fees to fund salary raises. For the NSHE Task Force to recommend additional student fees to fund salary increases will be viewed as divisive, with possible intent to undermine efforts to find a solution to the salary crisis. This would also, I believe, create a perception of insincerity to address the salary crisis by the Task Force. **NSHE must not propose the funding of performance pay increases by means of additional student fees.**

Third: the language of section 2 of the working document, labelled “Legislative Back Language for Flexibility in the Use of State Appropriations” should be changed so that the use of the archaic and misunderstood term “merit” is replaced by the more viable, contemporary language of “performance pay”. Reasons: legislative leadership has historically taken issue with so-called “merit” such that the use of the word has become a touch button for negative responses by certain key legislators. The word “merit” appeared in the 2015 appropriations language for the state budget as being specifically prohibited, as follows:

Sec. __. It is the intent of the Legislature that the amounts appropriated in sections __, __ and __ of this act for the Nevada System of Higher Education shall not be allocated by the Nevada System of Higher Education to support expenditures related to professional merit salary increases.

Note: the UNLV Faculty Senate, the Nevada Faculty Alliance, and NSHE lobbyists worked very hard to get this “no merit” language removed from the 2019 final appropriations language, and we succeeded. Based on meetings with numerous legislators during the 2019 session, we perceived a resistance to the term “merit” itself, as though the word that carries some aura of negativity. When we used the term “performance pay” instead, the responses were generally more positive. “Performance pay” derives from the language of business and the private sector, with an almost universal acceptance of its necessity. Also: the “back language” proposed here merely confirms what is already set law in NRS 396.280 (legislative authorization for NSHE to set faculty salaries), so may, on its face, be unnecessary. Using the word “merit” is self-defeating at the start. Words, like nature, half reveal and half conceal the soul within, as the poet said. **Any document that moves forward from this Task Force should everywhere replace the word “merit” with the more politically acceptable term “performance pay.”**

I suggest the following revisions to the working document and Task Force language (also, a replacement of the word “merit” on the budget estimate charts) as follows:

2. (Legislative Back Language section) ---

Recommend transitory language for inclusion in the Appropriations Act (2021) that would authorize NSHE to utilize state appropriated General Fund dollars for the purpose of awarding ~~merit~~ **performance pay** compensation and, when necessary, addressing salary compression and inversion. Suggested language:

*It is the intent of the Legislature that the amounts appropriated by this act for the Nevada System of Higher Education may be allocated by the Nevada System of Higher Education to support expenditures related to professional ~~merit~~ **performance pay** salary increases and for salary adjustments for salary compression and inversion for academic and administrative faculty.*

Should the Legislature include the recommended transitory language in the Appropriations Act, revise the Board of Regents’ Handbook to authorize the institutions to award ~~merit~~ **performance pay** on an annual basis and address salary compression and/or inversion within the institutions’ state supported operating budgets. Suggested Handbook revision to Title 4, Chapter 3 (new language in boldface italics):

Section 54. Annual Professional ~~Merit~~ **Performance Pay** Awards

Effective fiscal year 2022, on an annual basis , all institutions and System Administration and its units shall establish a ~~merit~~ **performance pay** pool of at least XX* percent for the purpose of awarding salary adjustments based on meritorious performance in the prior performance evaluation year for professional employees. The Chancellor, in consultation with the Presidents, shall establish a procedure for awarding ~~merit~~ **performance pay**, including how award amounts will be determined and awarded. The provisions of this section may be suspended for an individual institution or the system as a whole. Requests for suspension of the provisions of this section must be presented to the Board with justification and require approval of the Board.

Thank you to all on the Performance Pay Task Force for your thoughtful service to Nevada faculty. And thank you for taking these well-intended suggestions into strong consideration.

Sincerely,



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