



University of Nevada, Reno

Marc A. Johnson
President

MEMORANDUM

TO: NSHE Performance Pay Task Force

FROM: Marc A. Johnson
President, University of Nevada, Reno

SUBJECT: Performance Pay

DATE: December 13, 2019

I write to the Performance Pay Task Force to support the notion that administrative and academic faculty must be paid fairly and competitively to attract and retain faculty with the appropriate credentials to offer students and the community quality learning and research experiences. Assuring that salaries across the spectrum of job categories and disciplines are reflective of market conditions will be important. Also, providing equal attention to revenue sources to pay for performance rewards will allow for serious attention to faculty compensation while maintaining a balanced set of faculty to fulfill all of the missions of our colleges, universities and Research Institute.

First, actual market data on national or regional salary conditions will inform appropriate average salary levels for each job category, rank and discipline. This exercise will reveal whether there are job categories, ranks and disciplines which are systematically underpaid. Second, a performance pay rubric can be established to create rewards for extraordinary performance, above average, competitive salary levels for individuals contributing extraordinarily to institutional mission fulfillment. Third, exercises to bring all job categories, ranks and disciplines up to regionally competitive compensation levels and reward extraordinary performance will cost budgetary resources continuously. An essential element which must accompany a plan for greater employee compensation is a set of options to match the cost of this endeavor with the revenue resources to pay for this challenge.

A couple of revenue alternatives have been discussed. One is for the state government to pay for the salary increases by applying an inflation factor to the dollars per weighted student credit hour. There may be other avenues for state-supported salary enhancements. Another is to absorb the cost of competitive adjustments and performance pay internally, through about the only sizable internal revenue source available, student registration fees. This may require that the recently passed Regents policy to restrict the rise of registration fees to the Higher Education Inflation Index (HEPI) be modified to allow for registration fee increases to equal inflation plus the cost of faculty compensation.

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NSHE Performance Pay Task Force
December 13, 2019
P a g e | 2

Best wishes in finding a solution for competitive salaries and performance rewards which identifies the most appropriate way to pay for these objectives into the future. Your task will prove to be one of the most important for attracting and retaining the talent needed to fulfill our missions.

CC: Board Chair Jason Geddes
Board Vice Chair Mark Doubrava
Chancellor Thom Reilly
NSHE Presidents

MAJ/af