

The purpose of merit pay is to encourage faculty to contribute to the University's commitment to teaching, service, and scholarship. However, the historical practice of awarding merit pay as a percentage of one's annual salary means that awards have differed, often dramatically, from faculty member to faculty member in any given year even though their contributions to the University were judged to be equivalent. Thus the current percentage-based system affects faculty morale by undermining the merit pay system's fundamental purpose, which is to encourage and reward faculty who have gone beyond expectations.

For this reason, the Faculty Senate Welfare Committee moves that Section I. C. under "University Merit Pay Guidelines For Academic Units" of the ECU Faculty Handbook be amended to read:

- C. The current practice which combines a standard award with a merit award and which bases both on performance shall continue. The standard award is a percentage of one's annual salary awarded across the board to all faculty/staff who meet minimum performance standards. ~~The merit award is a percentage of one's annual salary awarded to those who substantially exceed minimum performance standards.~~ The merit award varies from individual to individual and is dependent upon the extent to which an individual exceeds minimum performance standards. University merit dollars are to be divided proportionately among departments based on the number of full-time faculty in each department. Individuals who exceed minimum performance standards to an equivalent extent receive merit awards in equal dollar amounts.

If this change to the handbook is adopted it is expected that the university money which is distributed to a department to be used for merit be based not on the total salary of the department but on the *number* of faculty in that department. Departments continue to determine the number of "merit points" each faculty member deserves. Each merit point would be worth the same number of dollars for each faculty member, not the same percentage of annual salary. The number of dollars per merit point would be based on the total amount of money that is distributed to the department for merit.