STANDARD ADMINISTRATIVE PROCEDURE

31.01.01.M0.07 Staff Market Adjustments

Approved October 1, 2025
Next scheduled review: October 1, 2030

Standard Administrative Procedure Statement

This standard administrative procedure (SAP) is set forth to provide guidance on market adjustments to budgeted staff employees of Texas A&M University, including all associated regional and branch campuses (i.e., Texas A&M University at Galveston and Texas A&M University at Qatar), and Texas A&M University Health Science Center. All will be referred to as TAMU for the purposes of this SAP.

A market adjustment is a change in pay to recognize the appropriate value of a job in the labor market as determined by the Division of Human Resources and Organizational Effectiveness (HROE) Classification and Compensation using established and credible salary survey data and sources.

Definitions

Base Pay - a fixed amount of money an employee receives for their work, excluding additional compensation such as supplemental compensation or allowances. This can be expressed as either an hourly wage or an annual salary and is determined by the agreed upon terms between the employer and employee prior to starting work.

Compa-Ratio - a calculated metric reflecting where an employee's salary aligns with the market median in relation to their individual competency within the job profile.

Market - the range of pay for which competing organizations compensate for a role, typically determined by industry, size, and geography.

Market Median - represents the midpoint of salaries for a specific role within a given market, thus half of the companies in the market pay above the median and half pay below.

Pay Compression - the unintended outcome when implementing a new market strategy that erodes or removes the established pay differences for employees within the same job profile and supervisory organization, based on their previously recognized performance.

TAMU Market Minimum - the established starting pay for a given job profile which is developed using the eighty-fifth percent (85%) of the market median and factoring recruitment challenges and external pressures as they apply.

Procedures and Responsibilities

1. GENERAL

1.1 TAMU maintains a compensation program directed toward attracting, retaining, and rewarding high performing employees at all levels.

1.2 TAMU is required to follow all aspects of the System-wide Pay Plan (SWPP) to include established pay grades. The TAMU market minimum rates will fall within the job profile's assigned pay grade.

1.3 HROE's Classification and Compensation will utilize multiple salary survey sources, including the College and University Professional Association for Human Resources (CUPA-HR), CompAnalyst by Salary.com, and the U.S. Bureau of Labor Statistics, to ensure comprehensive market data for job profiles utilizing relevant scopes, such as geographic and industry relevant pay data is used to set TAMU market minimum rates.

1.4 Implementation of a market strategy is at the discretion of the Dean/Vice President or designee, however, all employees within a job profile must have market adjustments applied equally across the applicable department(s). Contact the appropriate HROE Hub for information on implementing a market strategy.

1.5 When considering a base pay that exceeds the newly established TAMU market minimum, managers are encouraged to utilize the TAMU HROE's Compa-Ratio tool to evaluate employee's pay based on performance and/or abilities, assuming the availability of funding. Contact the appropriate HROE Hub for information on this tool.

1.5.1 This tool is intended to address any potential pay compression as a result of moving to a market strategy.

1.6 Market data will be available for leadership use through the college/school/division's HROE Hub and/or financial directors.

1.7 The Dean/Vice President's approval may be delegated in writing. This delegation must be on file with the appropriate HROE Hub.

1.8 No pay increase may be retroactive, in accordance with Article III, Section 53 of the Texas Constitution which prohibits the payment of retroactive increases to State employees. Retroactive pay refers to compensation for work that has already been performed but was not approved and paid at the appropriate time.

Such actions without proper documentation are prohibited under the Texas Constitution, Article III, Section 53.

2. MARKET MAINTENANCE PROCESS

2.1 The following process applies only to job profiles or groups who have already adopted a TAMU market rate strategy.

2.2 HROE's Classification and Compensation will conduct a market review every two (2) years from the date of the previously identified market rates.

2.2.1 Exceptions to this timeline will be determined by the Director of Classification and Compensation in collaboration with the appropriate college/school/division's Dean/Vice President or designee.

2.3 If the TAMU market minimum has increased beyond a significant threshold as determined by HROE's Classification and Compensation, they will conduct an employee compensation impact analysis and provide it to the appropriate leadership.

2.3.1 For additional adjustments beyond HROE's Classification and Compensation analysis refer to University SAP *31.01.01.M0.01, Employee Compensation Administration* to determine the appropriate increase type.

2.3.2 If the TAMU market minimum has not increased beyond a significant threshold as determined by HROE's Classification and Compensation, no market adjustments will be made at that time and a market review will be scheduled to occur again in two (2) years from that date.

2.4 A college/school/division should develop a strategy to implement the updated TAMU market minimum taking into consideration available budget.

3. APPROVAL

3.1 The Dean/Vice President or designee must approve all market related changes.

3.1.1 All approvals will be obtained using the Market Implementation Memo (CCF08) or the Phased Market Implementation Memo (CCF09) generated by HROE's Classification and Compensation.

3.2 Requests that exceed the job profile's pay grade will require approval of the Dean/Vice President or designee and, through HROE Classification and Compensation, the President or designee.

Related Statutes, Policies, or Requirements

Texas Constitution, *Art. III, § 53*

System Regulation *31.01.01, Compensation Administration*

University SAP *31.01.01.M0.01, Employee Compensation Administration*

Contact Office

For information or clarification on this SAP, contact
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Office of Responsibility

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