MEMORANDUM

DATE: June 4, 2010

TO: All University Supervisors

FROM: Patrick D. Cavanaugh, Vice President for Business & Finance
      Jane Lewis, Assistant Vice President Human Resources

SUBJECT: Policies for Salary Adjustments in FY 2011

The following are policies that articulate and clarify the conditions and limitations for the following types of salary adjustments throughout the University for Fiscal Year 2011.

1. Merit Pay
2. Faculty Promotion Awards
3. Promotion and reclassification adjustment
4. Equity Adjustments
5. Temporary Increases

NOTE: While factors such as differential changes in the cost of living or collective bargaining agreements may result in some differences in the salary adjustments from campus to campus, it is expected that the salary adjustment decisions on each of the University's three campuses adhere to these policies.

MERIT PAY AWARDS

DEFINITION: Adjustments to base pay from the merit pool allocated annually in the budget process to provide ordinary, annual adjustments for faculty and staff salaries. These annual pay adjustments are to be effective September 1st of each calendar year and are to be applied BEFORE any other adjustments.

AMOUNT: The merit pool is calculated as a set percentage of current salaries associated with all regularly authorized centrally funded positions on each campus.

ELIGIBILITY:
- **Employed on March 31:** Employees who were employed on March 31, 2010, are eligible to receive an allocation from the merit pool.
- **Hired on or after April 1:** Employees hired to start on or after April 1, 2010, are NOT eligible for a merit allocation for September 1, 2010.
- **Reclassified after April 1:** For employees in positions reclassified after April 1, 2010, the salary to be used for the basis of the merit pool shall be the lower of the salary before the classification or the salary after the classification.
• Vacant Positions: Merit money associated with a vacant position may NOT be allocated to one or more other filled positions; it will be applied to and must stay with the vacant position.

GRANT FUNDING:
Grant Funded Positions: Employees funded by grant monies shall have their merit awards, if any, funded in accordance with the grant’s particular provisions. General University funds will NOT be used to provide merit adjustments for grant funded positions. If grant positions are being terminated because of cut backs in funding, etc., the grant must pay for the employee’s severance and accrued vacation from grant funds. If an employee is paid part from general fund and part from a funded source (i.e. special projects, grants, etc.), the merit award must be divided and funding sources divided appropriately. Funds from one source cannot be used to fund the other source.

APPROVAL:
• The amount of each employee’s merit pay award shall be recommended by the supervisor and approved by the assigned Vice President, Provost or President. The amount of the merit pay award shall be based upon the employee’s job performance.
• Complete the salary spreadsheet for your area and return to the appropriate Vice President/Provost for approval no later than June 18, 2010. All worksheets will be sent to Human Resources by July 2, 2010. Human Resources and the Vice President for Business and Finance will review and send to the President for final approval no later than July 16, 2010
• No salary letters will be sent to employees until the President’s final approval has been given by Human Resources to the appropriate Vice President/Provost.

FACULTY PROMOTION AWARDS:

DEFINITION: Adjustments to faculty members’ base pay which are awarded in conjunction with the granting of promotions in rank.
• Faculty approved by the President for promotion in rank to associate professor or to professor by April 15 will be granted the salary adjustment award the following September 1.
• The faculty promotion award is 5% of the faculty member’s current base salary.
• Faculty funded by grant monies shall have their promotion awards, if any, funded in accordance with the grant provisions.
• Any adjustment for promotion described above shall be funded centrally with University monies budgeted for such purposes. (Adjustments larger than those described above shall be deemed to be equity adjustments and paid for from the unit’s base budget.)

STAFF PROMOTIONS AND RECLASSIFICATIONS:

DEFINITION: A “promotion adjustment” is an adjustment in base pay associated with a current staff employee being hired into a different position with a higher pay grade. A “reclassification adjustment” is an adjustment in base pay associated with determination by Human Resources that
change in the staff employee’s position’s scope and responsibilities justifies a change in pay
grade.

- The amount of the award shall be recommended by the supervisor, reviewed for internal
  and external equity by Human Resources and approved by the assigned Cabinet member.
- For promotions or reclassifications to the next higher pay grade, the centrally funded
  promotion or reclassification adjustment shall not exceed 5% of the employee’s existing
  base salary.
- For promotions or reclassifications of more than one pay grade, the centrally funded
  promotion or reclassification adjustment shall not exceed 10% of the employee’s existing
  base salary.
- That part of promotion or reclassification adjustment larger than described above shall be
  deemed to be equity adjustments and paid for from the unit’s base budget, after
  appropriate review by Human Resources and approval by the assigned Cabinet member.
- Notwithstanding the foregoing, the employee’s new salary after promotion or
  reclassification adjustment shall be within the pay range of the new pay grade assigned.
- Employees funded by grant monies shall have their promotions, if any, funded in
  accordance with the grant provisions.
- Employees funded by special projects or grants must have their reclassification
  adjustments funded by the identified source. In addition, monies from these sources
  cannot be used to increase the salaries of employees paid from the general fund. General
  University funds will NOT be used to provide merit adjustments for grant funded
  positions.
- Employees are not eligible for a reclassification or promotion within the first two years of
  their employment in their current position except for special circumstances.

FACULTY AND STAFF EQUITY AWARDS:

DEFINITION: Adjustments in base pay which are awarded based on the compensation for
similar positions in appropriate market group. For staff employees, the average salary of the grade
is also taken into consideration.

- The amount of the award for a position, pay grade or faculty rank shall be based only
  upon market analysis for comparable positions as conducted by Human Resources, the
  Office of Budget and Risk Management and (for faculty) the Office of Institutional
  Research and approved by the President.
- Monies approved for equity adjustments may NOT be allocated to another filled position.
- No monies for equity adjustment may come from reallocations within a unit without the
  President’s prior approval.
- Employees funded by grant monies shall have their equity awards, if any, funded in
  accordance with the grant provisions.
- Notwithstanding the foregoing, special equity adjustments for individual employees can
  be considered by the assigned Vice President or Provost and approved by the President in
  order to:
    1. Compete with an employment offer elsewhere. In such cases, written
       evidence must be submitted along with the proposed adjustment; and/or
    2. Recognize extraordinary service or circumstance in which a special
       adjustment is warranted.
3. In such cases, the sponsoring unit shall identify the permanent funding source.
4. All exceptional increases (non-merit or equity) must be reviewed and approved by Human Resources to assess equity implications.

TEMPORARY ADJUSTMENTS

**DEFINITION:** Adjustments in base salary associated with temporary but significant responsibilities being added to an employee’s job expectations.

- The amount of the award shall be recommended and the funding source shall be identified by the supervisor, and then approved by the assigned Vice President, Provost or President. The amount of the temporary adjustment shall be reviewed by Human Resources for fairness and equity prior to awarding to the employee.
- Employees funded by grant monies shall have their awards, if any, funded in accordance with the grant provisions.
- If an employee is paid part from general fund and part from a funded source (i.e. special projects, grants, etc.), the merit must be divided and funding sources divided appropriately. Funds from one source cannot be used to fund the other source.

Employees funded by special projects or grants must have their merit and equity adjustments funded by the identified source. In addition, monies from these sources cannot be used to increase the salaries of employees paid from the general fund.