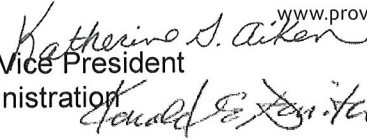


### MEMORANDUM

**TO:** Deans and Unit Managers

**FROM:** Katherine G. Aiken, Interim Provost and Executive Vice President  
Ron E. Smith, Vice President for Finance and Administration



**SUBJECT:** FY2015 Salary Process

**DATE:** April 18, 2014

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This year Interim President Burnett sent a strong message in his appearance to the Legislature that Change in Employee Compensation (CEC) was our highest priority. We are grateful that message was heard. For FY15, the appropriation bill for colleges and universities, Senate Bill 1417, includes an on-going one percent salary increase and a one-time one percent bonus for state employees, based upon employee merit, with flexibility in distribution as determined by the agency directors; however, the State General Fund is only covering about half of the cost of each of the increases. The bill provides the spending authority for the remaining amount to come from unrestricted funds and, in the case of higher education, unrestricted funds refer to student tuition. The University of Idaho is investing additional funding in the form of student tuition in order to permanently fund a two percent increase. Tuition increases to support this plan were approved by the State Board on April 16, 2014. In addition, the allocation from the state and from tuition is calculated on our FY14 state-based salary as recorded in the FY14 Budget Book and not on salaries which rely on other funding sources.

**Actions and Timeline: *A short turn-around time in our process and close adherence to deadlines is imperative to enable the distribution of salary agreements prior to the end of the academic year:***

- Distribute guidelines for University base salary increase process.....April 18
- Completed salary recommendations.....April 30
- Salary changes effective.....June 22
- Salary increases reflected in pay checks.....July 18

The salary recommendation process involves many considerations and careful implementation. We ask deans and unit leaders to clearly communicate this information within their college, department, or division. Salary agreements/letters will be issued following this process for continuing employees and will reflect annualized salary levels.

Please contact Mary Stout (208.885.7919) in the Provost's Office or Trina Mahoney (208.885.4387) in the Budget Office if you have any questions.

Thank you.

# University of Idaho

## FY2015 Salary Guidelines

The Provost and Executive Vice President and the Executive Director of Planning and Budget issue the following guidelines for the preparation of the FY15 salary recommendations for all categories of board appointed employees, permanent and temporary.

**General Guidelines:** Permanent and temporary board appointed employees, regardless of their salary funding source, are to be considered in this process using the web-based salary model program within the parameters described below.

**Eligibility:** Merit-based increases are available for board appointed employees with an initial hire date on or before January 5, 2014 **who have a current performance evaluation of “Satisfactory/Meets Expectations”** as required by Division of Financial Management Guidance.

Note: Board-appointed employees with a .01 suffix are eligible for this CEC increase and should be given the same consideration as .00 suffix employees. An Electronic Personnel Action Form (EPAF) will need to be entered by the department for these .01 suffix employees as part of their annual reappointment process. Temporary help (TH) employees are not eligible.

**TA/RA:** The unit's permanently budgeted assistantship positions on General Education and Centrally Allocated funds will be increased by two percent by the Budget Office based on the FY14 Budget Books. These funds are to be used to increase the salary per position and not to increase the number of assistantships.

**Salary Increase Range:** While the overall average increase for each unit cannot exceed two percent, individual eligible employees may receive a total salary adjustment of 1 to 4 percent based on meritorious performance, the availability of funds, and consistent with the legislative action:

“...ongoing salary increase for state employees, based on merit, with flexibility in distribution as determined by agency directors...”

No eligible employee shall receive a merit increase of less than one percent. In extraordinary circumstances, permanent salary increases in excess of 4 percent may be awarded with approval by the Provost and Executive Vice President or unit Vice President. Units may not exceed an average of two percent for all increases regardless of available funding. Note that the FY15 increment for faculty promotions in rank will be applied after the two percent increase.

**Funding Sources:** A pool of funds will be provided to each unit based on their FY14 permanently budgeted State Appropriated (General Education, Ag Research and Extension, FUR, IGS, WWAMI and WI) and Centrally Allocated salaries. This pool of funding will not include funding for salaries permanently budgeted on revenue-generating General Education budgets (Education off campus, summer session and professional fees). Any funds needed in excess of this allocated pool, including the fringe benefit costs for the excess amount, must be funded from existing college/unit funds.

**Vacant Positions:** The portion of the above pool associated with currently vacant positions may be used to fund CEC for existing eligible employees so long as there is a strong rationale for both the increase as well as for why the vacant position does not need the funding. A rationale must be included in the unit's cover memo for each vacant position not being allocated CEC.

**Centrally Funded Increases to the Minimum:** An additional Central funding allocation will be made for those positions who received mid-FY2014 centrally funded increases to minimum as part of the staff classification process. This funding will be equal to two percent of the central funding provided.

**Probationary Employees:** Employees hired on or before January 5, 2014 who have not yet completed their introductory probationary period at this time but are making satisfactory progress may be recommended for increases during the salary recommendation process; however increases are deferred until the 6-month probationary period has been satisfactorily completed. Once the employee successfully passes probation, the department must complete an EPAF to implement the pay increase. See University of Idaho Faculty Staff Handbook Chapter 3: Section 3440 D-2. Employees on performance-related probation are not eligible for a merit increase.

### **Pay Guidelines**

Eligible employees are eligible for a 1% merit increase if they meet the eligibility requirements. The additional 1% CEC should be used for:

- 1) Merit increases beyond the first 1% for employees who have demonstrated (and have the supporting documentation in the performance evaluation) exceptional performance in 2013; and/or
- 2) Any essential positions for which we have experienced or will likely experience increased risk or significant adverse effects to our systems, services, programs or people if those individuals are lost. The VP/Provost/President may apply a portion of the 1% pool to the incumbent's salary **for retention purposes**. Not all retention dollars must be allocated with the start of the fiscal year. A unit can indicate in their cover memo the amount of funding they wish to set aside in their Miscellaneous Groups PCN to address future retention issues. All University positions are important but for these purposes, "essential" should be narrowly construed.

Each mid-level will provide CEC recommendations based on the above guidelines through the web-based salary model. These recommendations will be approved by the appropriate Vice President, the Provost and Executive Vice President or the President (for areas reporting directly to the President) and all recommendations will receive final approval by the Executive Vice President and President. This executive review and approval process will occur concurrently to reviews by the Budget Office and Human Resources prior to implementation.

**SUBMIT BY APRIL 30:** Only unit fiscal officers will have access to complete the changes in the web-based salary model. Instructions will be emailed separately to those individuals. The Banner NWRSREC report accompanied by a cover letter from the administrator will be used to verify final recommendations. This report includes base salary amounts, increases by category and the new fiscal year salary by person. The report must be signed by the appropriate administrator (Dean/Director) and delivered to the Budget Office copying the appropriate Vice President, the Provost and Executive Vice President or the President by April 30.

The Budget Office will provide copies of all submittals to Human Resources. Your materials will be used to verify policy compliance, validate final salary recommendations, and document special issues or considerations. A review of performance evaluations by Human Resources will be included in this process.

The cover letter from the administrator must include a funding plan for salary increases that exceed the General Education and Centrally Allocated funds. The plan must identify funding sources for both salary and related fringe benefits. Complete instructions for the cover letter will be sent to the fiscal officers who have salary model access.

### **Examples:**

#### **Example 1**

Joe Vandal is in a \$65,000 permanently budgeted position and has not received any out of cycle increases so his basis for the increase remains at \$65,000. As of the FY14 Budget Book his salary was split with 50% or \$32,500 on General Education and 50% or \$32,500 on a revenue-generating Y account. Joe's supervisor has decided to provide Joe a 2% increase or \$1,300:

- Funds provided by the central administration: Because Joe was permanently budgeted \$32,500 on General Education in the FY14 Budget Book central administration will provide 2% of this (\$650) plus cover the increase to the benefit cap for the related fringe benefits.
- Funds to be covered by the unit: The unit must permanently cover the 2% increase for the \$32,500 in salary budgeted on the Y account (\$650) plus the related fringe benefits.

#### **Example 2**

Jessie Vandal is an assistant professor in a \$65,000 permanently budgeted academic year position and is scheduled to receive a \$6,000 increase in FY15 for promotion in rank to associate professor. In addition Jessie's supervisor has decided to provide Jessie with a 2% increase or \$1,300. Jessie's position is 100% permanently funded on General Education:

- Funds provided by the central administration: Because Jessie was permanently budgeted \$65,000 on General Education in the FY14 Budget Book the central administration will provide 2% of this (\$1,300) plus cover the increase to the benefit cap for the related fringe benefits. The \$6,000 increase for promotion in rank will be added after the 2% pay increase and also will be funded by central administration because Jessie's position is 100% General Education.
- Funds to be covered by the unit: No funds are needed.

**Example 3**

John Vandal is in a \$31,200 permanently budgeted position and received a \$1,040 out of cycle centrally funded permanent raise to minimum as part of the classification process. As of the FY14 Budget Book his salary was 100% General Education. John's supervisor has decided to provide John with a 2% increase or \$644.80:

- Funds provided by the central administration: Because John was permanently budgeted \$31,200 on General Education in the FY14 Budget Book the central administration will provide 2% of this (\$624). In addition central will also provide funding equal to 2% of the centrally funded raise to minimum (\$20.80) as well as cover the increase to the benefit cap for the related fringe benefits for both pieces.
- Funds to be covered by the unit: No funds are needed.