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HR/SA 99-03

To: Associate Vice Presidents/Deans of Faculty
Human Resources Directors
Payroll Officers

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Subject: 1998/99 Salary Program and Employment Conditions for Unit 3 Faculty Employees

At the March 16-17, 1999, Board of Trustees' meeting, the Collective Bargaining Committee of the Board adopted a resolution to increase salaries and modify certain employment conditions for employees in Unit 3. The resolution, attached to coded memorandum HR 99-04 distributed March 17, 1999, includes the following:

- A 2.5% General Salary Increase (GSI) will be applied to the salary steps, ranges, rates and special schedules of Unit 3 classifications, effective October 1, 1998.
- A 1.5% Service-based Salary Increase (SSI) has been authorized for eligible unit members, subject to the SSI maximum, effective October 1, 1998.
- Faculty Merit Increases (FMIs) have replaced Performance-Based Salary Increases (PBSIs) in recognition of demonstrated performance by a faculty unit employee. The merit pool for fiscal year 1998/99, effective July 1, 1998, is \$16.2 million, excluding associated benefits costs. The total merit increase pool for department chairs shall be the FTEF pro rata portion of this pool plus \$925,000. Campuses are required to develop a pool, within their share of the \$16.2 million, for department chairs only, based on the chairs' FTEF pro rata portion of the entire unit. Each campus will soon receive a joint memo from Employee Relations and Business and Finance identifying its share of the merit pool systemwide funds.

The effective date of FMIs will be retroactive to July 1, 1998 (with recipient selection concluded by July 1, 1999). The maximum FMI total for fiscal year 1998/99 is 12.5% (includes FMI base increase and bonus) of an employee's annual salary, subject to certain limitations. Unexpended funds from the merit pool shall be rolled over and added to the merit pool for the next year.

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FMI's shall normally be in the form of a permanent increase in the base salary of the individual (reflected in employment history), and may also be in the form of a bonus (a lump sum amount, not a permanent increase in salary) not to exceed 2.4%. This bonus is for faculty unit members who have reached the top of his/her rank or classification in the salary schedule. Faculty unit members whose performance was part of an activity or project conducted by a team, department, or group of employees, may receive a FMI in the form of a bonus not to exceed 2.4%, regardless of the individual's salary placement on the salary schedule.

- Employees may be paid at a salary rate that is between two salary steps in the salary schedule ("off-step" rate). Employees at the "full professor" rank for any instructional faculty classification may be paid at a salary rate that exceeds the top step in their respective classification. Salary advancements are no longer bound by step rate increments.
- Salary step maximums for Department Chair classifications (excluding Designated Market Discipline classifications) were increased by four (4) steps, resulting in a newly established salary range maximum that is 8% higher, effective July 1, 1998.
- Unit 3 salary "step" structure classifications will transition to an "open range" salary structure before the end of fiscal year 1998/99. This process will be accomplished via an SCO mass update program and information pertinent to the mass update will be provided at a later date.

NOTE: Compensation allocations were included in coded memorandum B98-05, Attachments C and D, dated September 1, 1998.

Resolution Implementation Requirements:

1. General Salary Increases (GSI):

- The State Controller's Office (SCO) will post a GEN transaction for the 2.5% GSI via mass update retroactive to October 1, 1998 to employees with salary step structures. Mass update processing has been scheduled for the weekend of March 27, 1999. Refer to the SCO's Personnel Letter for processing timelines and instructions.

Revised payscales will be available via CIRS on **March 29, 1999**. Access **Report Code G20** listed under Systemwide Summary, Salary Schedule, Cycle 9999. The updated Unit 3 salary schedule will be available on the CSU WEBSITE (<http://www.calstate.edu/hrpims/salary.htm>) on **March 30, 1999**.

- Campuses will need to initiate action for those appointed via Special Payment (A54) transaction. Employees in class codes 2322, 2323, 2357, and 2402, whose last day worked is 10/1/98 or later (regardless of the effective date of the A54 transaction), are entitled to the GSI. Campuses will need to initiate correction transactions as appropriate. All other employees are entitled to the GSI only if the effective date of the A54 transaction is 10/1/98 or later.
- Manual processing by the campuses will be required to process GEN corrections for employees who received the GSI effective 10/01/98, and who subsequently

received a FMI retroactive to July 1, 1998. Campuses should refer to appropriate procedures for out-of-sequence processing. Below is an example of an "off-step" FMI retroactive to July 1, 1998:

Example: Assistant Professor (2360) at step 3 receives a 2.5% GSI effective 10/01/98 and a 5% FMI (calculated on the salary schedule in effect 07/01/98). The salary increase advances the employee to step 5 with an \$8.00 plus salary amount in Item 815 and the appropriate code in Item 719:

<u>Effective Date</u>	<u>Key Date</u>	<u>Trans Code</u>	<u>Salary</u>
10-01-98	05-14-99	GENC	3566.00 – adjusted
07-01-98	05-14-99	SCR	3479.00 - 5% FMI
10-01-98	03-27-99	GEN	3396.00 - 2.5% GSI via mass update
xx-xx-xx	xx-xx-xx	xxx	3313.00

2. Service-based Salary Increases (SSIs):

- To be eligible for a SSI posted October 1, 1998, an employee must be on an "active" payroll status at the close of business (COB) on September 30, 1998.
- SSIs will be processed via a MSA transaction by the SCO. Refer to SCO's Personnel Letter for additional information.
- Employees in salary "step" structures who are eligible for the 1.5% SSI in fiscal year 1998/99 will be placed in an "off-step" condition, requiring the SSI amount to be processed as a Plus Salary (Item 815) amount. **When the open range salary structure becomes available, the need for "Plus Salary" rates will no longer be necessary except for traditional Plus Salary conditions.** The appropriate detailed transaction code for the "off step" plus salary amount will be "71". Off-step salary amounts must be included in all calculations for which base salary amounts are included (e.g. reporting purposes).
- SSI eligible employees with anniversaries effective in July, August, September and October 1998, will have the 1.5% SSI posted effective October 1, 1998, subject to the SSI maximum after the GSI is posted. Such employees shall retain their respective July, August, September or October anniversary month, with the anniversary year (Item 330) and Final Salary Anniversary Date/MSA/SSI Counter (Item 958) adjusted as appropriate.
- SSI eligible employees with November 1998 through April 1999 anniversary dates will be processed by the SCO along with the SSIs effective October 1, 1998. SSI eligible employees with May and June 1999 anniversary dates will be processed in accordance with the SCO's monthly update process.

3. Faculty Merit Increases (FMI):

- FMIs in the form of a permanent increase in the employee's base salary (reflected in employment history) cannot exceed 12.5% and will be posted via SCR transaction. Detail Transaction Code descriptions for FMI processing will be as follows:

<u>Code</u>	<u>Description</u>	<u>Fund(s)</u>
50	Merit/performance increase	Merit pool or campus funds
52	Market-based increase	Merit pool or campus funds
53	Equity-based increase	Merit pool or campus funds

(Campuses are no longer required to enter the amount of the FMI increase in Management Data Element Item 704(b).

- Campuses may have employees who receive a SSI and subsequently receive a retroactive FMI, which causes them to exceed the service maximum effective prior to the effective date of the FMI (e.g. a SSI effective 11/98 followed by a FMI retroactive to 7/98). In this situation, the employees are entitled to retain the SSI already awarded.
- When considering salary increases, salaries can be in between steps or a salary step. When giving an employee an off step salary (the salary amount in between two salary steps), it will be processed as a Plus Salary (Item 815).

Campuses that process a FMI via SCR transaction which results in an “off-step” condition will need to enter the off-step amount in Item 815. The salary increase should advance the employee to the highest step attainable (e.g., from step 3 to Step 5), with any remaining “off-step” salary amount to be processed as the plus salary. Campuses are reminded to verify Item 958 when changing steps. **When the open range salary structure is available, the need for “Plus Salary” rates will no longer be necessary except for traditional Plus Salary conditions.** Appropriate detailed transaction codes for the plus salary amount will be 50, 52, or 53 as applicable. Off-step salary amounts must be included in all calculations for which base salary amounts are included.

- FMIs in the form of a lump sum bonus awarded to employees at the top step of their respective rank (including Full Professors at or above the top step), or provided as a member of a group bonus cannot exceed two and four-tenths percent (2.4%), respectively. FMI bonuses (individual or group) will be paid via PIP system. The payment may be requested using the Miscellaneous Payroll/Leave Action Form (STD. 671) or the Time and Attendance Report Form 672. Earnings ID “S6” and the gross amount of the bonus must be denoted on the form (refer to PPM Section G904 for completion instructions). The bonus is subject to federal, state, social security and medicare tax withholding and retirement withholding. The bonus should not be included in the calculation of NDI or IDL. **Note:** The FMI bonus will not become a permanent increase to the base salary of the individual.
- The sum of all FMI bonuses and base pay increases granted to any individual faculty member may not exceed 12.5% of that faculty member’s base salary (calculated on the salary in effect July 1, 1998 or effective date of the Extra Quarter Assignment appointment).

4. Department Chair Changes:

- The addition of four (4) steps to the salary rate maximums of the following Department Chair classifications have increased the range by 8%:

0351 - CMA Department Chair, Cruise – AY
0352 - CMA Department Chair, Lead Maritime Vocational Instructor – Cruise
0353 - CMA Department Chair, Lead Maritime Vocational Instructor – Noncruise
0354 - CMA Department Chair, Maritime Vocational Instructor – Cruise
0355 - CMA Department Chair, Maritime Vocational Instructor - Noncruise
2481 - Department Chair, 12 Month
2482 - Department Chair, Academic Year
7894 - Department Chair, SNP, Academic Year

- Employees serving as Department Chair will receive a minimum of \$80.00 per month of service as chairperson. Chairpersons of departments of eighteen or more full-time equivalent faculty will receive a minimum of \$120.00 per month of service as chairperson. Stipend amounts shall be incorporated into the base salaries of department chairpersons for the period in which they serve as department chair, effective prospectively per Board resolution (e.g., as early as the April 1999 pay period).
- Department chair stipend amounts must be reflected as a Plus Salary rate via CRO Transaction. Reference “DeptChairStip” in Employment History Remarks Item 215; in Item 719, denote detailed transaction code “73” as the plus salary for the department chair stipend. The stipend amounts shall be removed from salaries of department chairpersons effective on the date their chairperson assignment ends. (If assignment ends via A60, delete Items 719 and 815; if assignment ends via separation transaction, deletion of Items 719 and 815 are not required.)
- Human Resources – Information Support & Analysis (HR-ISA, formerly known as HR-PIMS)) will reconstruct the payscales to incorporate the four additional Department Chair steps based upon the salary schedule in effect July 1, 1998. SCO will post a CRO transaction to change Anniversary Date Item 330 from “MAX” to “9999” as appropriate for affected employees. The revised schedule will be available for campus review by **March 29, 1999** (access CIRS compendium report code **G20, Cycle 9807**). Eligible Department Chair employees can receive an FMI up to the new salary rate maximum retroactive to July 1, 1998.

5. Temporary Employees:

- Upon completion of **30** units on a semester campus, or the equivalent on a quarter campus in the same department or equivalent unit during **consecutive** academic years without a break in service, temporary employees shall receive a salary increase equivalent to the percentage of the negotiated SSI, subject to certain requirements. Such increases shall be accomplished via A52 transaction.

Temporary employees who may have accumulated units prior to the Board resolution date and who subsequently had a break in service for one or more academic years will not be able to count the previously accumulated units towards salary increase eligibility.

- Range Code 3 salary steps and ranges remain modified for Lecturer AY Stanislaus (2331), Lecturer AY (2358), Lecturer 12 Month (2359), Lecturer Statewide Nursing Program AY (2308), Librarian 10 MO (2919), Librarian 12 MO (2920),

Supervising Librarian 10 MO (2913) and Supervising Librarian 12 MO (2914) classifications. The first four (4) steps of the B range (Range Code 3) are restricted for use to lecturers who have a current multiple year appointment. Steps 1-4 will be eliminated once they are no longer populated. Refer to Technical Letter HR/SA 97-06, Supplement #1, for additional information.

6. General Provisions:

- Pursuant to the Board resolution, the following classifications are not eligible for FMIs because of their flat rate salary structure:

2323 Instructional Faculty, Extension
2322 Instructional Faculty, Special Programs
2402 Instructional Faculty, Summer Arts
2357 Instructional Faculty, Summer Session
2356 Substitute Instructional Faculty

- Faculty members who receive a promotion shall receive a minimum salary increase associated with that promotion of at least 5.0%. An increase of more than 5.0% may be funded from either the merit pay pool or campus funds. Merit pool funds may be used for market/equity adjustments as well. Any "off-step" salary amounts must be earmarked as a Plus Salary amount in Item 815. **When the open range salary structure becomes available, the need for "Plus Salary" rates will no longer be necessary except for traditional Plus Salary conditions.** The appropriate detailed transaction code for the "off step" plus salary amount will be 71. Off-step salary amounts must be included in all calculations for which base salary amounts are included (e.g. reporting purposes).
- The duration of participation in FERP for faculty entering the program July 1, 1999 or thereafter shall be 2 years. The duration of participation for faculty who entered FERP in 1998-99 or earlier shall not be changed. Leaves of absence from FERP shall be granted for personal illness only. **This leave revision applies to all participants in FERP, regardless of when they entered the program.** Additional information pertinent to this program will be provided at a later date.
- Paid maternity/paternity leave has been increased from 10 days to 20 days for eligible tenured and probationary faculty unit members, effective prospectively.

Employment history processing instructions needed to implement the 1998/99 faculty salary program will be issued by the State Controller's Office. Questions regarding processing instructions should be directed to the campus CSU Audits contact at the State Controller's Office. Questions regarding other aspects of this technical letter may be directed to Cordelia Ontiveros at (562) 985-2694. This technical letter is also available via Human Resources Administration's web page at: <http://www.calstate.edu/tier3/HR-Adm/99SAmemo.html>. Thank you.

CR/CO/dth