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**Date:** March 9, 2001  
**To:** Associate Vice Presidents/Deans of Faculty  
Human Resources Directors  
Payroll Managers  
**From:** Cathy Robinson *Cathy Robinson*  
Senior Director  
Human Resources Administration  
**Code:** TECHNICAL LETTER  
HR/SA 2001-02  
Supplement # 1  
*Cordelia Ontiveros*  
Cordelia Ontiveros  
Senior Director  
Academic Human Resources  
**Subject:** Fiscal Year (FY) 2000/2001 Faculty Salary Program – Payroll Guidelines Clarification

This supplement serves to provide clarification on processing guidelines specific to employees in Department Chair positions.

SSIs:

It is not the intent of the contract to prevent an otherwise SSI-eligible department chair employee from receiving a SSI. Please refer to Technical Letter HR/SA 2001-02, Attachment A, pages 4 and 5. The instructions at the top of page 5 would apply only in those rare instances when a department chair is SSI-eligible, has never received a Faculty Merit Increase (FMI) for merit (**not** market or equity) in a previous fiscal year, and whose base salary precludes the award of the full SSI percentage due to the SSI maximum.

For example, if an employee's salary rate on the salary range - exclusive of the department chair stipend amount – otherwise permitted the employee to receive a SSI, it would be appropriate for the campus to deduct the employee's department chair stipend amount from the salary rate, process the SSI up to the maximum percentage attainable (subject to the SSI maximum), and then add the stipend back onto the employee's new salary rate. After the stipend is added back, the salary will exceed the SSI maximum by the amount of the stipend. If this same employee subsequently

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received a retroactive FMI effective in the same fiscal year as the SSI, the employee should retain the SSI previously awarded.

**Example:** A 1.8% SSI took an employee's salary rate (without the stipend) to the SSI maximum in September 2000. The employee never received a FMI in a previous fiscal year. The employee also received a FMI effective July 2000. In this instance, the employee would retain the full 1.8% SSI increase. It would not be appropriate for the campus to increase the 1.8% SSI to the full percentage attainable (e.g. 2.65% for FY 2000/2001) because the retroactive FMI was posted in the same fiscal year.

Department Chair Stipend Salary "Windfalls":

Salary "windfalls" occur when a department chair stipend amount is included in an employee's salary rate when calculating SSIs, General Salary Increases (GSIs), or other salary-related transactions. In this situation, the salary windfall should be retained with the employee's base salary.

For example, if a department chair stipend is removed from an employee's salary rate because he/she no longer occupies a department chair assignment, the windfall dollar amount gained as a result of the stipend's inclusion when the GSI was processed would be retained in the employee's "base" salary. Note, however, that the "windfall" does not apply to the instructional faculty portion of a department chair's appointment, in instances when the position is split into department chair and instructional faculty portions (e.g. two positions).

Corrections to GSIs for Full Professors With Salaries Above the Range Maximum:

It was brought to our attention that full professors with salaries above the range maximum did not receive the GSI on their full salary rate. The State Controller's Office (SCO) mass update program for the GSI does not apply the GSI to amounts in excess of the salary range maximum ("red circle" salary rate Item 815). Please note that corrections have already been processed by the SCO for these employees, and adjustment checks will be issued.

If you have any questions regarding administrative information in this technical letter supplement, please contact Theresa Hines in Human Resources Administration at (562) 951-4412, or via e-mail at [thines@calstate.edu](mailto:thines@calstate.edu). Questions regarding collective bargaining aspects of this technical letter supplement may be directed to Cordelia Ontiveros at (562) 951-4503, or via e-mail at [contiveros@calstate.edu](mailto:contiveros@calstate.edu).

This technical letter is also available via Human Resources Administration's web page at: <http://www.calstate.edu/tier3/HR-Adm/memo.html>. Thank you.

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