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HR/Salary 2009-01

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

From: Evelyn Nazario  Senior Director, Compensation
Human Resources Administration Margaret Merryfield  Senior Director
Academic Human Resources

Subject: Post-Promotion Increase Program for Faculty (Unit 3) – Year One (2008-09)

Overview

Audience: Associate Vice Presidents/Deans of Faculty, Human Resources Directors, Campus Payroll Managers and/or campus designees responsible for faculty payroll processing

Action Item: Implementation of PPI program for 2008/2009

Affected Employee Group(s)/Unit(s): Full Professor, Lecturer D, and equivalent Librarian, Counselor, and Coaching Faculty ranks

Summary

The Collective Bargaining Agreement (CBA) between the California Faculty Association (Unit 3) and the California State University (CSU) provides for the Post-Promotion Increase (PPI) program in 2008/2009. This technical letter provides information regarding program implementation, which includes base salary increases plus lump sum payments to eligible individuals. Academic personnel managers and staff, campus payroll managers, and campus designees responsible for faculty payroll processing should review the remainder of this technical letter.

The collective bargaining agreement between the California Faculty Association and the California State University (CSU) provides for a Post-Promotion Increase (PPI) program to be implemented in fiscal years 2008/2009 and 2009/2010. The CSU agreed to provide \$7 million in each fiscal year of the program to fund increases to base salary ranging from 2.5% to 3.5% for faculty members at the rank of Full Professor, Lecturer D, Librarian, SSP/AR-III, and Head Coach who have exhausted SSI eligibility and have been evaluated as meeting or exceeding performance expectations. Eligible faculty members with the earliest date of hire, representing approximately 50% of the total pool, may apply for 2008/2009 awards. The remaining faculty will be eligible for consideration for the 2009/2010 awards. The program is described in more detail in articles 31.13 through 31.16 of the collective bargaining agreement.

Distribution:

CSU Presidents
Executive Vice Chancellor & CAO
Vice Chancellor, Human Resources
Vice Presidents, Academic Affairs
Vice Presidents, Administration

Associate Vice Presidents/Deans of Faculty
Budget Officers
HR Professionals
State Controller's Office/PPSD

Detailed Program Information

- **Eligibility:** The 2008/2009 Post-Promotion Increase program is open to individuals hired into Unit 3 on their current campus prior to August 1, 1988, who held the rank of Professor, Lecturer D, Head Coach, Librarian, or Student Services Professional, Academic-Related III prior to the beginning of the 2008-09 academic year, and who have exhausted their SSI eligibility in their current rank. Participants in the Faculty Early Retirement Program and rehired annuitants are ineligible for the PPI program. Campus Associate Vice Presidents/Deans of Faculty were provided a list of individuals identified as tentatively meeting eligibility criteria in October 2008. Each campus verified its list and notified individuals on the list of their right to apply for an award, as described below. Attachment B is a list of included faculty classifications (subject to other eligibility criteria.)
- **Determination of salary award:** Individuals eligible to be considered for an award are required to submit an application to a peer review committee at the department (or equivalent unit) level. Following its evaluation, the peer committee makes one of three findings: the applicant does not meet expectations, meets expectations, or exceeds expectations.
 - ⇒ If the finding is that the faculty member does not meet expectations, the faculty member does not receive an award.
 - ⇒ If the finding is "meets expectations", the faculty member receives an increase to base salary of 2.5% plus a lump sum payment equal to the difference between the new salary and the prior salary for each pay period between July 1, 2008, and the pay period prior to the implementation of the base salary adjustment. Base pay adjustments should be implemented no later than the February 2009 pay period.
 - ⇒ If the finding is "exceeds expectations", the faculty member receives a base salary adjustment in an amount determined by the President, within the range of 2.75% to 3.5%, plus a lump sum payment equal to the difference between the new salary and the prior salary for each pay period between July 1, 2008, and the pay period prior to the implementation of the base salary adjustment. Base pay adjustments should be implemented no later than the February 2009 pay period.
- Base increases for employees in unpaid leave status should be implemented as of the date the employee returns to paid status. An employee on unpaid leave for a portion of the time between July 1, 2008, and implementation of the base pay adjustment is entitled to a lump sum payment equal to the difference between the new salary and the prior salary only for those pay periods when the individual was on paid status. The payment is prorated for partial months.
- Employees who retired following the Fall 2008 term and are not currently on active status or are FERP or rehired annuitants are entitled to a lump sum payment for those pay periods from July 1, 2008 through retirement, but are not eligible for the base salary adjustment.
- Campuses must provide a list of all individuals who received an award, along with the percentages awarded and the total dollar amount of the awards, to the Chancellor's Office by May 15, 2009. A reporting template will be provided to each campus in a separate communication.
- The new salary may exceed the maximum salary for the range if that is necessary to apply the full award percentage, regardless of whether the classification is identified as one in which the range maximum may be exceeded on the list provided in HR/Salary 2007-25, Attachment B (<http://www.calstate.edu/HRAdm/pdf2007/TL-SA2007-25.pdf>). Refer to HR/Benefits 2007-17 for

information on CalPERS regulations regarding payment of salary over the salary maximum of a classification.

- If it is determined that SSI eligibility exists, the PPI award stands, but will reduce any future SSI eligibility. The SSI counter should be adjusted accordingly.

Appeals Process

- Faculty members may appeal either the substantive rating or the amount awarded by the President. A campus Appeal Committee will review all appeals and may make additional awards within the program constraints identified above and a budget not to exceed 10% of the campus's portion of the salary pool. Campuses have previously received information regarding their proportional shares of the \$7 million pool.
- Campuses have been instructed to complete the appeals process by no later than March 27, 2009. Changes to base pay resulting from appeals should be implemented no later than the April 2009 pay period.
- On January 23rd at 1:30 p.m. the Chancellor's Office will host a brief Tech Talk (web and phone conference) to discuss this technical letter and answer your questions regarding its implementation. To participate, log on to: <http://csumyconnect.calstate.edu/TechTalk> and sign in as a guest. The audio portion of the conference will be via phone; call 866-228-9900 and enter the following code: 9514454. Preregistration is not required. The lobby opens at 1:25 p.m., and we anticipate that the program will last approximately 15 minutes.

Processing instructions are provided in Attachment A. Class codes eligible for consideration are provided in Attachment B.

Please direct questions regarding this technical letter as follows:

PIMS processing instructions	CSU Audits representative at the SCO
CMS Baseline processing instructions	CMS liaison for systemwide HR at (562) 951-4418
Collective bargaining aspects	Labor Relations at (562) 951-4400
All other questions	Academic Human Resources at (562) 951-4503

This document is available on Human Resources Administration's Web site at:
<http://www.calstate.edu/HRAdm/memos.shtml>

EN/mm
Attachment

PROCESSING INSTRUCTIONS
Post Promotion Increase Program Base Salary Adjustment

PAY SCALES IMPACT:	
Change Summary:	N/A
Class Code(s):	
CBID:	
Pay Scales Effective Date:	
Date in Production:	
Pay Letter:	

EMPLOYMENT HISTORY (EH)/PAYROLL IMPACT:	
Processing Responsibility:	Campus
Processing Date(s):	Through close of business 2/19/09
Effective Date:	Start of February pay period (refer to campus academic calendar for AY classes, use 1/30/09 for 12 month classes)
PIMS Transaction:	CRO
Detailed Transaction Code (Item 719)	N/A
EH Remarks (Item 215)	HR/SA 2009-01
Pay Amount:	Varies
Pay Form:	Base salary increase
Lump Sum Earnings ID:	N/A
Employees on Leave:	<ul style="list-style-type: none"> • Reinstatement of the employee and then post a CRO effective the date of return for those employees on an unpaid leave of absence. • Employees currently on IDL/TD or NDI Catastrophic Leave should have the CRO posted the start of the February pay period.
Additional Information:	<ul style="list-style-type: none"> • Enter any base salary increase amount over the salary range maximum in Item 815 - Red Circle Rate/Plus Salary. Employees must be notified of impact to CalPERS. • Due 05/15/09 to the Chancellors Office- List of individuals who received the award along with the percent and the total monthly dollar amount.
SCO Personnel Letter:	N/A

CMS PROCESSING INFORMATION:	
Workforce Administration:	<ul style="list-style-type: none"> • Action/Reason: PAY/MOU <ul style="list-style-type: none"> ○ Effective Date: Start of February pay period (refer to campus academic calendar for AY classes, use 1/30/09 for 12 month classes) ○ Comp Rate: Varies ○ Employment History Remarks: HR/SA 2009-01
Temporary Faculty:	Same as above
Benefits:	N/A
Time and Labor:	N/A
Leave Accounting:	N/A
Absence Management:	N/A
Labor Cost Distribution:	N/A
Additional Instructions:	N/A

Post-Promotion Increase Program Lump Sum Payment

PIP PROCESSING INFORMATION:	
Processing Responsibility:	<ul style="list-style-type: none"> The campuses are responsible for keying lump sum payments for active employees. The campuses will submit 674 documents to State Controller's Office PPSD to process all others.
Processing Date(s):	February pay period using the 02/09 pay period
Earnings ID:	GV
Amount:	Varies by employee
Subject to Retirement Withholdings:	No
Taxable/Reportable:	Yes
Subject to Medicare/Social Security:	Yes
Included in Calculation for Overtime:	N/A
Included in the Calculation for NDI/IDL Payments:	No
Earnings Statement Description:	CSU LMP SUM
Additional Information:	Payments should be made using the employees' current faculty appointment for the pay period when the payment is issued.

CMS PROCESSING INFORMATION:	
Workforce Administration:	N/A
Temporary Faculty:	N/A
Benefits:	N/A
Time and Labor:	Earnings ID: GV - Process via Additional Pay <ul style="list-style-type: none"> Effective Date: Start of February pay period (refer to campus academic calendar for AY classes, use 1/30/09 for 12 month classes) Amount: Varies
Leave Accounting:	N/A
Absence Management:	N/A
Labor Cost Distribution:	N/A
Additional Instructions:	N/A

ELIGIBILITY INFORMATION Post-Promotion Increase Program

Individuals in the following classifications may be eligible for the Post-Promotion Increase program, provided they meet all other criteria.

Title	Range	Codes
Head coach	0	2373, 2374, 2375
SSP/AR III	0	3074, 3075
Librarian	5	2913, 2914, 2919, 2920, 2926, 2927
Instructional faculty (including dept. chair)	5	2360, 2361, 2395, 2399, 2481, 2482
Lecturer	5	2358, 2359
CMA lecturer	5	0357, 0557
Maritime Vocational Instructor IV	0	0391, 0358, 0359, 0558
CMA Instructional Faculty (incl. chair)	5	0351, 0551, 0356, 0556
Maritime Vocational Lecturer IV	0	0360, 0361, 0560
Vocational Instructor	5	2462, 2463, 2464, 2466
Statewide Nursing Program	5	7894, 2310, 2308
Overseas Contract faculty	5	2364, 2369

In addition, campuses should review individuals in the following classifications:

Grant-Related/Specially Funded Instructional Faculty class codes 2387, 2388
 (Only applies to faculty who are in range 5 in the appointment from which the GRIF salary was derived.)

Resident Director, International Programs, range 5, class codes 2320, 2321

While these classifications do not have an SSI maximum rate designated, faculty members appointed in these groups receive a salary derived from their base instructional faculty salary. If individuals in these classifications have exhausted SSI eligibility in their instructional faculty classification, they are eligible for consideration for a PPI.