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Date: October 13, 1999

To: Human Resources Directors
Payroll Managers

From: Cathy Robinson, Senior Director
Human Resources Administration

Subject: FY 1999/00 Salary Program for Unit 1 Employees

The California State University and the California Federation of the Union of American Physicians and Dentists have ratified the Unit 1 agreement for Fiscal Year 1999/2000. The salary program for FY 1999/00 is as follows:

- A 2% General Salary Increase (GSI) will be applied to the individual salary rates of Unit 1 employees effective July 1, 1999.
- A one-time Special Salary Adjustment (SSA) of 2.85% shall be provided to Unit 1 employees. The SSA shall be equivalent to a Service-based Salary Increase (SBSI), effective on an employee’s anniversary date in FY 1999/00. Intermittent employees shall receive the SSA effective January 1, 2000.
- Unit 1 salary schedule changes include a 2% GSI applied to the salary range minimums, and an approximate 4.91% increase (includes the 2% GSI and 2.85% SSA, compounded) applied to the salary range maximums, effective July 1, 1999.
- A performance-based salary increase (PBSI) program, expanded to include payment of a non-recurring lump-sum bonus of any amount, not to exceed five percent (5%) of an employee’s annual salary, is available. The amount of funds dedicated to one-time lump sum bonuses for FY 1999/00, including associated benefits costs, shall be $33,400. These funds should be expended by February 15, 2000. No FY 1999/00 funding has been made available for base salary increases; however, campus-funded PBSIs may be in the form of a base salary increase.

Implementation: Implementation of the contract salary provisions shall be accomplished by manual processing by the campuses and the State Controller’s Office (SCO), Personnel/Payroll Services Division (PPSD) as follows:

✔ Employment History Processing Items:
- HR-ISA will produce a compendium report, J09, Cycle 9910, which will provide history summaries for all Unit 1 employees (including temporary and intermittent) eligible to receive the GSI and the SSA. Campuses will use this report to determine the appropriate information to manually enter a GEN transaction per eligible employee

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position. The GEN transaction must be entered into the system before the October payroll cutoff on October 22, 1999. Following are instructions for the campuses to use when entering this GEN:

⇒ Use the employee’s current assigned salary to calculate the 2% GSI and enter this into Item 820, Assigned Salary
⇒ After determining who is eligible to receive the SSA, use the history summary to determine the anniversary date to enter into Item 330 from either the anniversary date used to provide the employee with the FY 1998/1999 SSA, or the employee’s original hiring date, adjusted as appropriate for any nonqualifying pay periods. With the exception of temporary and intermittent employees whose anniversary date should remain as “NONE”, all other SSA-eligible employees must have a re-established anniversary date for FY 1999/2000.
⇒ Reference “HR/SA 99-16” in Employment History Remarks, Item 215

✔ Special Salary Adjustments:

● A Special Salary Adjustment of 2.85% will be provided to all Unit 1 employees in FY 1999/00 via MSA transaction. The SSA shall be based upon demonstrated overall satisfactory performance. Campuses will be responsible for posting SSI Denials via 330 transaction in accordance with established procedures.

● For permanent and probationary employees, the SSA should be processed in accordance with SBSI provisions of the parties’ Agreement in effect immediately prior to July 1, 1998, effective on an employee’s re-established anniversary date in FY 1999/00.

● The SCO will manually post MSA transactions for employees with anniversary dates from July through November 1999 when the SSI monthly update process is run in early November. Thereafter, the SBSI-eligible employees with anniversary dates from December 1999 through the end of FY 1999/00 will be updated via the SSI monthly update process as appropriate.

● Campuses will need to identify temporary and intermittent employees with a “NONE” in the anniversary date field. Campuses are instructed to give any active temporary and intermittent employee on the payroll who served in a Unit 1 classification in any prior fiscal year the 2.85% SSA effective January 1, 2000, or on their subsequent appointment date provided that it is effective within FY 1999/00.
⇒ For employees appointed (new or rehired) after January 1, 2000, campuses must first appoint the employee and then post the 2.85% SSA via MSA transaction. If the appointment effective date is at the beginning of a pay period, the MSA transaction must be posted with the same effective date as the appointment. If an employee is appointed at any time other than the beginning of a pay period, the effective date of the SSA must be at the beginning of the NEXT pay period. In either situation, reference “HR/SA 99-16” in Employment History Remarks Item 215 on the MSA transaction.

● Campuses must adjust the anniversary dates of employees on a leave of absence or on inactive pay status when they return from leave as appropriate. Employees will not be eligible for the SSA if their adjusted anniversary date extends beyond FY 1999/00.

● Pursuant to the MOU, effective June 30, 2000, each classification range shall include a Service Maximum in the same proportion to the classification range minimum and range maximum (performance maximum) as existed in the classification range in effect on June 30, 1997.
FY 1999/00 Performance-Based Salary Increase (PBSI) Program:

A PBSI shall be an increase to an employee’s base salary of any percentage, or it may be a payment of a non-reoccurring lump sum bonus of any amount, not to exceed five percent (5%) of an employee’s annual salary. PBSI funds may be increased by an additional amount from campus funds as determined by and at the sole discretion of the President; however, the 5% limit applies to the total of PBSI awards, including base salary increases (from either rollover or campus funds) as well any bonus amount.

For FY 1999/00, the PBSI program of negotiated systemwide pool funds will be in the form of a one-time lump sum bonus. The bonus shall be based upon demonstrated performance commensurate with work assignment and years of service as determined by the President. Pursuant to Article 19, the decision to grant or deny a PBSI, and the amount of such increase, if granted, are at the sole discretion of the President. However, PBSI decisions are subject to an appeals process (refer to Article 19.8 of the Unit 1 agreement).

- Bonuses will be paid via the PIP system. The serial number of the employee’s position may be used unless otherwise directed by the campus. The payment may be requested using the Miscellaneous Payroll/Leave Action Form (STD 671) or the Time and Attendance Report Form (STD 672). Earnings ID “S6” and the gross amount of the bonus must be denoted on the form to request payment (refer to PPM Section G904 for instructions). All bonuses are taxable/reportable income, subject to Social Security and Medicare taxation and retirement withholding. Bonuses should not be included in NDI or IDL calculations.

- Campus-funded PBSIs in the form of a base salary increase shall be accomplished via SCR transaction. Enter Detailed Transaction Code “50” in Item 719 to denote the merit/performance increase. PBSIs provided solely from campus funds may be awarded at any time effective at the beginning of a pay period.

Employees on an unpaid leave of absence as of July 1, 1999 may receive a campus-funded PBSI effective upon their return from leave via A57/A58 transaction. (Reference “HR/SA 99-16” in Item 215, Employment History Remarks.)

Each campus will receive a joint memo from Employee Relations and Business and Finance identifying its share of the performance pool systemwide funds. The allocation of funds dedicated to this program to each campus in FY 1999/00 shall be based upon the actual salaries paid to bargaining unit positions during FY 1997/98. Each campus’ unexpended PBSI bonus funds for FY 1999/00 must be spent in FY 1999/00 on professional development activities for Unit 1 members. In addition, each campus’ unexpended PBSI base salary funds rolled over from prior fiscal years must be spent in FY 1999/00 on professional development activities. Only the unexpended base funding must be carried forward into the PBSI pool for the next fiscal year.

Revised Unit 1 payscales will be available via CIRS Compendium Report Code G20, Cycle 9999, and the CSU web site, http://www.calstate.edu/hrpims/salary.htm on October 14, 1999. Questions regarding processing instructions should be directed to your campus CSU/SCU Audits representative at the SCO. Questions regarding other aspects of this technical letter may be directed to Theresa Hines at (562) 951-4412. 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.