

THE CALIFORNIA STATE UNIVERSITY
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To: Associate Vice Presidents/Deans of Faculty
Human Resources Directors
Payroll Managers

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Subject: Fiscal Year 2000/01 Updated Salary Program for Faculty (Unit 3)

The California State University and the California Faculty Association have concluded re-opener negotiations on salaries for fiscal year (FY) 2000/01, the third year of the current three-year Collective Bargaining Agreement. As these negotiations have not produced a new salary program Agreement, the CSU is required to proceed with salary program provisions based upon the terms of the existing Agreement. The following terms apply for the FY 2000/01 California Faculty Association salary program:

- A 3.6% General Salary Increase (GSI), effective July 1, 2000.
- A 2.65% Service Salary Increase (SSI).
- A Faculty Merit Increase (FMI), effective July 1, 2000.
- Promotions continue to require at least a 7.5% increase.
- Range elevations for lecturers continue to require at least a 5% increase.

Administration Requirements:

To reduce retroactive payroll adjustments, campuses should consider keying the SSI and the FMI on the same day. For detailed processing instructions on all faculty pay programs, please refer to Attachment A of this technical letter.

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1. General Salary Increases (GSI):

- Effective the July 2000 pay period, a 3.6% General Salary Increase (GSI) will be posted to the salary of each faculty unit employee and will be applied to the minimum rate, performance maximum rate, SSI maximum rate and special schedules of Unit 3 classifications. Mass update processing is scheduled for the weekend of February 9, 2001.
- Revised Pay Scales will be available via CIRS after the mass update is run. Access **Report Code G20** listed under Systemwide Summary, Salary Schedule, **Cycle 9999**. The updated Unit 3 salary schedule will be available on the CSU web site (<http://www.calstate.edu/hrpims/salary.htm>) after the mass update has been completed.

2. Service Salary Increases (SSI):

- A 2.65% Service Salary Increase (SSI) will be provided to eligible unit members who are reviewed and granted a SSI, effective on their anniversary date, subject to the SSI review procedures and to the SSI maximum, as appropriate.
- Pursuant to Article 31, bargaining unit members eligible for a Service Salary Increase (SSI) in FY 2000/01 shall be reviewed by the department and appropriate academic administrator, who shall either grant or deny the SSI. The decision to grant or deny a SSI shall be subject to the Service Salary Increase Appeal Process.
- Funding: Campuses are responsible for calculating the amount of the SSI pool, in accordance with provision 31.43, that represents a 2.65% SSI pool for all eligible faculty (including lecturers who are eligible for a salary increase pursuant to Article 12.9 as described in Attachment A). The amount of the 2.65% SSI pool is based on funds needed for all eligible faculty members (e.g., the anniversary date for tenure track faculty or beginning of the next term for lecturers) through the end of the fiscal year.

3. Faculty Merit Increases (FMI):

- The effective date of FMIs will be retroactive to July 1, 2000 (with recipient selection already concluded by November 20, 2000).
- The maximum FMI increase total for fiscal year 2000/01 is 7.5% (includes FMI base increase and bonus) of an employee's annual salary. Unexpended funds

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from the merit pool shall be rolled over and added to the campus merit pool for the next year. Campus funds may not be used to augment the merit pool.

- The merit pool for both FMIs and SSIs for fiscal year 2000/01 is \$22.4 million, excluding associated benefits costs. The memo from Human Resources, dated September 19, 2000, identified each campus' share of the merit pool systemwide funds. *NOTE: Campus compensation allocations were included in coded memorandum B 00-04, dated July 13, 2000.*

Questions regarding processing instructions should be directed to your campus CSU Audits representative at the State Controller's Office.

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

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

CR/CO/gc

Processing Guidelines for Faculty Salary Programs

General Salary Increase (GSI):

- The State Controller's Office (SCO) will post a GEN transaction via mass update retroactive to July 2000 pay period. Employees appointed after July 1, 2000 but before the mass update is run, will have the GSI applied to their salary. The GSI will be applied to all active Unit 3 employees, including new hires. (The shadow step rate salaries contained in the Salary Schedule will also be increased by the 3.6% GSI.) Refer to the SCO's Personnel Letter for processing timelines and instructions.
- Transactions posted prior to the mass update and with an effective date later than July 1, 2000 will automatically be increased to reflect the GSI.
- Employees appointed via Special Payment (A54) transaction (class codes 2322, 2323, 2357, and 2402) whose last day worked is 7/1/2000 or later (regardless of the effective date of the A54 transaction) are entitled to the GSI. Special Payment transactions with an effective date of 7/1/2000 or later are also entitled to the GSI.

Service Salary Increases (SSI) for Probationary/Permanent Faculty:

- Campuses are responsible for determining an employee's SSI eligibility in accordance with the MOU.
- Campuses are responsible for manually processing SSIs via MSA transaction or SSI denials via 330 Transaction, as appropriate, upon completion of the SSI review process. If an SSI-eligible employee is denied the SSI, only the 330 transaction should be posted.
- If a denied SSI is successfully appealed and the employee is later granted the SSI, the campus must void the denial and post the SSI as appropriate.
- Anniversary Date and SSI Counter/Final Anniversary Date (Items 330 and 958, respectively) must be advanced as appropriate for granted or denied SSIs.
- Prior FMIs awarded to an employee do not impact his/her SSI eligibility, whether or not the FMI award causes his/her salary rate to exceed the SSI maximum. The

SSI counter and the anniversary date are not affected by the award of FMIs. These employees will continue to be eligible to receive SSIs until their SSI counter is reduced to zero. In instances where an SSI-eligible employee's salary rate is below the SSI maximum and the employee received a FMI in a previous fiscal year, the employee will be entitled to receive the full 2.65% SSI in FY 2000/01.

- If an employee receives a SSI and a subsequent retroactive FMI in the same fiscal year, it could cause the employee's updated salary rate to exceed the SSI maximum. In this situation, the employee should retain the SSI previously awarded.
- If an employee has never received a FMI, then his/her salary may not exceed the SSI maximum solely by receiving SSIs (e.g., an employee in this category who is granted an SSI will receive an SSI, up to the SSI maximum).
- When an initial value is entered into the SSI counter field (for appointments and promotions), and the initial salary rate is less than the SSI maximum, the SSI counter will be determined as that number of 2.5% salary increases that would result in a salary equal to the SSI maximum, up to a maximum initial counter of 8. The SSI counter will be decreased by '1' for every SSI granted, regardless of the amount of the SSI.
- Two reports are provided by HR-ISA to assist campuses with determining eligibility. CIRS Report Code J01, Cycle 0102 lists employees potentially eligible for SSIs in FY 2000/01 who have never received a FMI, Report Code J08, Cycle 0102 lists employees with a SSI counter above zero who have received a FMI.

SSIs/Temporary Faculty Salary Increases Related to Units of Service:

- Pursuant to Article 12.9, temporary employees who have completed 24 units on a semester campus, or the equivalent on a quarter campus, in the same department or equivalent unit, shall receive a salary increase equivalent to the percentage of the negotiated SSI provided that Article 31 requirements are satisfied. Effective in FY 2000/01, the processing of the (2.65%) salary increase shall be via MSA transaction.
- Temporary faculty employees are subject to the SSI review and appeals process. Campuses are responsible for processing SSIs or SSI denials via 330 Transaction, as appropriate, upon completion of the SSI review process. If an SSI-eligible employee is denied the SSI, only the 330 transaction should be posted.
- Anniversary Date Item 330 may be entered with a date or "NONE" as appropriate, considering the date that salary increase eligibility (pursuant to Article 12.9) is

scheduled for completion, and whether or not that date is prior to the appointment expiration date (Item 416) of the temporary assignment.

- For temporary faculty appointments, Item 958 Final Anniversary Date = “NONE” and SSI Counter = “0”. This employment history requirement does not affect campus-based practices which includes monitoring the number of units completed and keeping count of the number of salary increases given to temporary faculty.
- If a temporary faculty employee has never received a FMI, then his/her salary may not exceed the SSI maximum solely by receiving SSIs. Anniversary Date Item 330 = “99/99” when the SSI maximum has been attained in this instance.

Temporary Faculty Range Elevation:

- Pursuant to Article 12, those eligible for lecturer range elevation shall be limited to lecturers who have no more SSI eligibility in their current range and have served five (5) years in their current range.
- Pursuant to Article 31.5, range elevation for lecturers shall be accompanied by advancement of at least 5% (or 2 shadow steps) on the salary schedule. Effective FY 2000/01, range elevation for eligible lecturers shall be accomplished via SCR transaction. The effective date of the SCR transaction should coincide with the beginning of the term that range elevation has been authorized. Indicate “Article 31.5” in Employment History Remarks Item 215, and detailed transaction code Item 719 = “55”.

Faculty Merit Increase (FMI):

- FMIs normally shall be in the form of a permanent increase to the base salary of the individual (reflected in employment history) but may also be in the form of a bonus (a lump sum amount, not a permanent increase in salary). The sum of all FMI base pay increases and bonuses granted to any individual faculty member may not exceed 7.5% of that faculty member’s base salary (calculated on the salary in effect July 1, 2000 after the GSI has been posted or effective date of the Extra Quarter Assignment appointment).
- The bonus is for faculty unit members: 1) who have reached the top of his/her rank or classification in the salary schedule or 2) whose demonstrated performance was part of an activity or project conducted by a team, department, or group of employees. Faculty in these two categories may receive a FMI in the form of a bonus of no more than the equivalent of an annual salary increase of 7.5%, regardless of the individual’s salary placement on the salary schedule.

- Full Professors at or above the top of the salary range may receive a lump sum bonus and/or a permanent base pay increase of up to 7.5% through the FMI program.
- FMIs in the form of a permanent increase in the employee's base salary (reflected in employment history) will be posted via SCR transaction after the GSI has been posted to the employee's record. 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
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).)

- FMI bonuses (individual or group) will be paid via the 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.
- Pursuant to the Agreement, 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

Department Chair Issues:

- Provision 31.58 of the MOU requires that a department chair stipend should be included when calculating SSIs, FMIs or other salary-related transactions during the period the employee serves as the chairperson. The stipend amount should be deducted from the employee's salary effective on the date that the chairperson's assignment ends.

- It is not the intent of the contract to prevent an otherwise SSI-eligible department chair from receiving a SSI. To calculate the SSI, #1) deduct the department chair stipend from the employees "true" base salary, #2) increase the salary by the appropriate SSI, and #3) add the stipend back onto the employee's new salary. This will be accomplished as follows:
 1. Subtract the stipend via CRO transaction with effective date = the SSI effective date, with Item 215 = "minus stipend";
 2. Process the SSI via MSA transaction using the 2.65% SSI (or up to the SSI maximum if that is less than 2.65%) with effective date = beginning of pay period;
 3. Add the department chair stipend back into the base salary via SCR transaction with detail transaction code (Item 719 = "73" with effective date = the SSI effective date, with Item 215 = "added stipend".

- Unless the department chairperson occupies the "Full Professor" rank, an employee's salary cannot exceed the performance salary range maximum under normal circumstances. For example, if a department chairperson's salary rate (inclusive of the department chair stipend) precluded him/her from receiving the maximum FMI percentage amount in the base salary, the employee could receive a portion of the FMI percentage up to the performance salary range maximum, and also be considered for a bonus amount, as long as the base increase plus bonus amount does not exceed 7.5%.

- The employment history system calculates "Actual Salary Rate" (Item 306) from the assigned salary rate multiplied by the timebase fraction. Thus, the department chairperson with a less than full-time timebase fraction will not have an "inflated" salary for the GSI or SSI calculation.

- With respect to department chair assignment timebase changes (Item 405), please note that campuses cannot change the salary manually because the system generates the salary automatically off of the new timebase (PPT line G Item 820, Assigned Salary Rate is not open). To change the stipend amount to correlate with the change in timebase, process a "CRO" transaction effective the same day as Item 405. The CRO transactions will allow you to change Item 820. In Employment History Remarks, Item 215, enter "DeptChrStip".

Promotions:

- Pursuant to Article 31.4, promotions are to be accompanied by advancement of at least 7.5% (3 shadow steps) on the salary schedule, and range elevations for lecturers continue to be accompanied by advancement of at least 5% (2 shadow steps) on the salary schedule.

- The employee's SSI (MSA) counter will need to be recalculated in cases where an employee was promoted to a higher rank and subsequently received a retroactive FMI prior to the promotion. As the result of a retroactive FMI, SSI eligibility should be recalculated based upon 2.5% increments from the employee's new salary in the higher rank to the new SSI maximum. The final anniversary date and SSI counter (Item 958) must be modified accordingly.

Two-Year Temporary Appointments:

- Pursuant to provision 12.12, temporary faculty unit employees (excluding coaches) employed during the 1999/2000 academic year and possessing six or more years of service on that campus since July 1, 1994 (excluding those faculty who received two year temporary appointments pursuant to provision 12.11), shall be offered a two year temporary appointment commencing with the academic year 2000/2001. Refer to HR-ISA's Special Report X77 and X78, Cycle 9999, for assistance in identifying these individuals.

FERP Faculty Appointments:

- Effective FY 2000/01, the employment history audit to key a separation transaction (S31) on continuing FERP appointments with a one-year (AY) duration has been eliminated. **This change in procedure is restricted to FERP participants on consecutive AY or 12 month appointments.**
- When processing FERP appointment transaction A56, the Duration of Appointment Item 415 may be keyed as Y1 to Y5, or 12 months to 60 months, as appropriate, for FERP faculty who are employed at up to 50% of what their timebase was in the year prior to retirement. Expiration Date of Appointment Item 416 must coincide with the information provided in Item 415.
- A separation transaction will be required at the end of the (consecutive) AY or 12-month appointment(s), when the FERP participant changes the nature of the appointment (e.g., from half-time AY to full-time AY for a semester), or if the participant does not work the following year.
- FERP participants must be compensated only for those periods in which an appointment is in effect. For example, a FERP participant assigned to work full time for one semester will receive compensation at the fulltime monthly rate for that semester. It would be inappropriate to pay the FERP participant at a half-time monthly rate for the academic year in this instance.

- Pursuant to PERS regulations (GC 21227), “a retired person may serve without reinstatement from retirement or loss or interruption of benefits provided by this system (PERS) as a member of the academic staff of a California state university, if that service does not exceed, in any fiscal year, a total of 960 hours for all employers or 50 percent of the hours the member was employed during the last fiscal year of service prior to retirement.” During the period of FERP participation, both the Collective Bargaining Agreement provisions and the PERS regulations apply.

Base Class Formulas:

- As noted in the Salary Schedule, the salary rates for some faculty classifications are based on the salary rates of other classifications. For example, the minimum, performance maximum and SSI maximum rates for classification code 2368, Instructional Faculty, Extra Quarter Assignment, QSYRO, are equal to $\frac{4}{3}$ times the monthly rates for classification code 2360, Instructional Faculty - Academic Year, using Salary Schedule A. When campuses use Salary Schedule A to assign employees into these types of classes (such as 2368), this formula should be used when determining the employee’s salary.
- The GSI for these classes is processed as follows: the GSI will be applied directly to the salaries of individual employees and to the base class salary rates. The new minimum, performance maximum and SSI maximum salary rates for the related classes will be calculated based on the formula that relates to the base class salary rates.