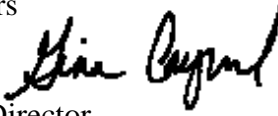



THE CALIFORNIA STATE UNIVERSITY
Office of the Chancellor
401 Golden Shore
Long Beach, California 90802-4210
(562) 951-4411

Date: February 14, 2006

Code: **TECHNICAL LETTER**
HR/Salary 2006-04

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

From: Gina Caywood 
Interim Senior Director
Human Resources Administration

Cordelia Ontiveros 
Senior Director
Academic Human Resources

Subject: **Faculty (Unit 3) Department Chair Stipends**

A Settlement Agreement between the California State University (CSU) and the California Faculty Association (CFA) requires that specific individuals will receive a gross lump sum payment of \$6,000 and that faculty members serving in 12-month department chair classifications meeting certain criteria will receive stipend adjustments. The Settlement Agreement is available on the web at http://www.calstate.edu/LaborRel/3-02-088_stipend.pdf

Campuses are responsible for processing both the lump sum payments and the stipend adjustments. Lump sum payments must be paid by April 1, 2006. These lump sum payments are subject to applicable taxes and retirement contributions. Specific individuals who are to receive the lump sum payment are listed in Attachment A of the Settlement Agreement.

The following processing instructions are provided in Attachment A of this Technical Letter:

⇒ Lump Sum Pay Program I – Department Chair Lump Sum Payments

Campuses are responsible for processing stipend adjustments for eligible faculty members serving in 12-month department chair classifications, effective with the March 2006 pay period. Pursuant to the Settlement Agreement, the formula for calculating the stipend adjustments plus several examples are provided here in Attachment B.

Distribution:

Chancellor Reed
Vice Chancellor, Human Resources
CSU Presidents
Vice Presidents, Academic Affairs

Vice Presidents, Administration
Budget Officers
Director, SOSS

The following processing instructions are provided in Attachment A of this Technical Letter:

⇒ Salary Increase Program II – 12-Month Department Chair Stipend Adjustment

It continues to be the case that for employees in department chair classifications, the administrative timebase fraction associated with the chair assignment must be maintained in PIMS Item 718. For faculty in split positions (concurrent assignment in both instructional faculty and department chair classifications), PIMS Item 718 should be the same as the timebase in the department chair classification. PIMS Item 718 is entered as a fraction for individuals whose department chair administrative assignment is less than full time. PIMS Item 718 is entered as “FT” for those individuals whose department chair administrative assignment is full-time.

Salaries after any stipend adjustments may not exceed the maximum rate of pay on the salary schedule for department chairs at the rank of Assistant Professor or Associate Professor.

Questions regarding this technical letter may be directed to Academic Human Resources at (562) 951-4503. This document is available on the Human Resources Web site at: <http://www.calstate.edu/HRAdm/memos.shtml>.

CO

**TECHNICAL LETTER
HR/Salary 2006-04
ATTACHMENT A**

PROCESSING INSTRUCTIONS

I - DEPARTMENT CHAIR LUMP SUM PAYMENTS

PIP PROCESSING INFORMATION:	
Processing Responsibility:	<ul style="list-style-type: none"> • Active/On Leave Employees: Campuses • Separated Employees: Campuses must send 674 documents to Mary Anne Reed in PPSD for keying
Processing Date(s):	<ul style="list-style-type: none"> • Must be paid no later than April 1, 2006. • Documents to Mary Anne Reed in PPSD no later than 3/21/2006. • Must be paid using February or March 2006 pay period.
Earnings ID:	SB
Amount:	\$6,000.00
Subject to Retirement Withholdings:	Yes
Taxable/Reportable:	Yes
Subject to Medicare/Social Security:	Yes
Included in Calculation for Overtime:	No
Included in the Calculation for NDI/IDL Payments:	No
Additional Information:	Campuses have received a list of employees who are to receive this lump sum payment.

**TECHNICAL LETTER
HR/Salary 2006-04
ATTACHMENT A**

PROCESSING INSTRUCTIONS

II - 12-MONTH DEPARTMENT CHAIR STIPEND ADJUSTMENTS

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

EMPLOYMENT HISTORY (EH)/PAYROLL IMPACT:	
Processing Responsibility:	Campus
Processing Date(s):	Campus keying: No later than 3/21/2006
Effective Date:	March 2006 pay period
PIMS Transaction:	CRO
Detailed Transaction Code (Item 719)	N/A
EH Remarks (Item 215)	HR/Salary 2006-04
Pay Amount:	Varies by employee
Pay Form:	Salary increase to stipend payment
Lump Sum Earnings ID:	N/A
Employees on Leave:	<ul style="list-style-type: none"> Increases are effective 03/02/06 for employees on NDI supplementing with Catastrophic Leave (S49 Transaction, Item 957=40) on 03/02/2006. Increases for other employees on leave (non-pay status) are to be keyed by the campus via CRO transaction, effective the date the employee returns to pay status.
Additional Information:	<ul style="list-style-type: none"> Adjust the monthly stipend per the Settlement Agreement. Salary rates for Department Chairs in the rank of Professor may exceed the salary range maximum. All other ranks/ranges are limited to the salary range maximum.
SCO Personnel Letter:	N/A

COMMON MANAGEMENT SYSTEM (CMS) INSTRUCTIONS:	
Pay Scales Impact:	N/A
GSI/SSI Load Impact:	N/A
CMS Action/Reason:	Must map to PIMS CRO transaction

**Calculating Stipend Amounts for 12-Month Department Chairs
Reference: Settlement Agreement Attachment B**

Please note that administrative fraction may be expressed as either a decimal or a fraction in the following examples. Use standard rounding procedures.

A. Twelve Month Chairs paid the provision 31.25 minimum stipend amount:

If the chairperson is paid the minimum stipend amount indicated in provision 31.25, the following formula will be used to calculate the new stipend amount:

New Stipend Amount = [(Administrative Fraction) * (Monthly Basepay without current stipend)*(4.5%)] + (Current Stipend Amount)

Example A1: Department Chairperson has 1.0 appointment in 12-month Department Chair classification 2481, an administrative fraction of 1.0, and a monthly basepay of \$7120 that includes a current stipend of \$120.

Class Code	Timebase	Administrative Fraction	FT Basepay without Stipend	Current Actual Stipend Amount	Actual FT Basepay Prior to Stipend Adjustment
2481	1.0	1.0	\$7000	\$120	\$7120

- New stipend amount: $[(1.0)*(\$7120-120)*(4.5\%)]+(120) = \435
- New full time basepay = $\$7000 + \$435 = \$7435$

Example A2: Department Chairperson has 1.0 appointment in classification 2481, an administrative fraction of $6/15 = 0.4$, and a monthly basepay of \$7080 that includes a current stipend of \$80.

Class Code	Timebase	Administrative Fraction	FT Basepay without Stipend	Current Actual Stipend Amount	Actual FT Basepay Prior to Stipend Adjustment
2481	1.0	0.4	\$7000	\$80	\$7080

- New stipend amount: $[(0.4)*(\$7080-80)*(4.5\%)]+(80) = \206
- New full time basepay = $\$7000 + \$206 = \$7206$

TECHNICAL LETTER
HR/Salary 2006-04
ATTACHMENT B

Example A3: Department Chairperson has 9/15 = 0.6 appointment in 12-month Instructional Faculty classification 2361, a 6/15 = 0.4 appointment in classification 2481 with a monthly basepay (without current stipend) of \$7000, and a current stipend of \$80. In order to be paid the correct stipend amount in the 2481 position, actual FT basepay for payroll purposes is $\$7000 + (\$80/0.4) = 7000 + 200 = \$7200$.

Class Code	Timebase	Administrative Fraction	FT Basepay without Stipend	Current Actual Stipend Amount	Stipend Adjusted for Timebase	Actual FT Basepay Prior to Stipend Adjustment
2361	0.6	N/A	\$7000	N/A	N/A	\$7000
2481	0.4	0.4	\$7000	\$80	\$200	\$7200

- New actual stipend amount: $[(0.4) * (\$7200 - 200) * (4.5\%)] + (80) = \206
- New stipend amount adjusted for timebase = $(\$206/0.4) = \515
- New full time basepay for 2481 position: $\$7000 + \$515 = \$7515$
- Actual salary paid for 2481 position at 0.4 timebase = $(\$7515) * (0.4) = \3006

Example A4: Department Chairperson has 9/15 = 0.6 appointment in Academic Year Instructional Faculty classification 2360 with a full time basepay of \$7000, a 6/15 = 0.4 appointment in classification 2481 with a monthly basepay (without current stipend) of \$8050 [12-month salary = (AY Salary) * (1.15) = $\$7000 * 1.15 = \8050], and a current stipend of \$80. In order to be paid the correct stipend amount in the 2481 position, actual FT basepay for payroll purposes is $\$8050 + (\$80/0.4) = \$8050 + 200 = \8250 .

Class Code	Timebase	Administrative Fraction	FT Basepay without Stipend	Current Actual Stipend Amount	Stipend Adjusted for Timebase	Actual FT Basepay Prior to Stipend Adjustment
2360	0.6	N/A	\$7000	N/A	N/A	\$7000
2481	0.4	0.4	\$8050	\$80	\$200	\$8250

- New stipend amount: $[(0.4) * (\$8250 - 200) * (4.5\%)] + (80) = \224.90
- New stipend amount adjusted for timebase = $(\$224.90/0.4) = \562
- New full time basepay for 2481 position: $\$8050 + 562 = \8612
- Actual salary paid for 2481 position at 0.4 timebase = $(\$8612) * (0.4) = \3444.80

B. Twelve Month Chairs paid greater than the provision 31.25 minimum stipend amount:

If the chairperson’s current stipend is greater than the minimum stipend amount indicated in provision 31.25, the following formula will be used to calculate a new stipend amount. The result of this calculation must then be compared to the current stipend amount paid to the department chair. The chairperson’s total stipend will be the greater of either the new stipend amount or the current stipend amount.

$$\text{New Stipend Amount} = [(\text{Administrative Fraction}) * (\text{Monthly Basepay without current stipend}) * (4.5\%)] + (\text{Current Stipend Amount})$$

Example B1: Department Chairperson has 1.0 appointment in classification 2481, an administrative fraction of 1.0, and a monthly basepay of \$7200 that includes a current stipend of \$200 (instead of a provision 31.25 minimum of \$120).

Class Code	Timebase	Administrative Fraction	FT Basepay without Stipend	Current Actual Stipend Amount	Actual FT Basepay Prior to Stipend Adjustment
2481	1.0	1.0	\$7000	\$200	\$7200

- New stipend amount formula: $[(1.0) * (\$7200 - 200) * (4.5\%)] + (120) = \435
- New stipend amount is greater than current stipend amount: $\$435 > \200
- Total stipend amount = \$435
- New full time basepay = $\$7000 + \$435 = \$7435$

Example B2: Department Chairperson has 1.0 appointment in classification 2481, an administrative fraction of $9/15 = 0.6$, and a monthly basepay of \$7500 that includes a current stipend of \$500 (instead of a provision 31.25 minimum of \$120).

Class Code	Timebase	Administrative Fraction	FT Basepay without Stipend	Current Actual Stipend Amount	Actual FT Basepay Prior to Stipend Adjustment
2481	1.0	0.6	\$7000	\$500	\$7500

- New stipend amount formula: $[(0.6) * (\$7500 - 500) * (4.5\%)] + (120) = \309
- New stipend amount is less than current stipend amount: $\$309 < \500
- Total stipend amount does not change = \$500
- Full time basepay does not change = \$7500

TECHNICAL LETTER
HR/Salary 2006-04
ATTACHMENT B

Example B3: Department Chairperson has $9/15 = 0.6$ appointment in classification 2361, a 0.4 appointment in classification 2481 with a monthly basepay (without current stipend) of \$7000, and a current stipend of \$200 (instead of a provision 31.25 minimum of \$120). In order to be paid the correct stipend amount in the 2481 position, actual FT basepay for payroll purposes is $\$7000 + (\$200/0.4) = \$7000 + \$500 = \$7500$.

Class Code	Timebase	Administrative Fraction	FT Basepay without Stipend	Current Actual Stipend Amount	Stipend Adjusted for Timebase	Actual FT Basepay Prior to Stipend Adjustment
2361	0.6	N/A	\$7000	N/A	N/A	\$7000
2481	0.4	0.4	\$7000	\$200	\$500	\$7500

- New stipend amount formula: $[(0.4)*(\$7500-500)*(4.5\%)]+(\$120) = \$246$
- New stipend amount is greater than current stipend amount: $\$246 > \200
- Total Stipend Amount = \$246
- New stipend amount adjusted for timebase = $(\$246/0.4) = \615
- New full time basepay for 2481 position: $\$7000 + 615 = \7615
- Actual salary paid for 2481 position at 0.4 timebase = $(\$7615) * (0.4) = \3046

Example B4: Department Chairperson has 0.6 appointment in classification 2360 with a full time basepay of \$7000, a 0.4 appointment in classification 2481 with a monthly basepay (without current stipend) of \$8050 [12-month salary = (AY Salary) * (1.15) = $\$7000 * 1.15 = \8050], and a current stipend of \$500 (instead of a provision 31.25 minimum of \$120). In order to be paid the correct stipend amount in the 2481 position, actual FT basepay for payroll purposes is $\$8050 + (\$500/0.4) = \$8050 + \$1250 = \$9300$.

Class Code	Timebase	Administrative Fraction	FT Basepay without Stipend	Current Actual Stipend Amount	Stipend Adjusted for Timebase	Actual FT Basepay Prior to Stipend Increase
2360	0.6	N/A	\$7000	N/A	N/A	\$7000
2481	0.4	0.4	\$8050	\$500	\$1250	\$9300

- New stipend amount formula: $[(0.4)*(\$9300-1250)*(4.5\%)]+(\$120) = \$265$
- New stipend amount is less than current stipend amount: $\$265 < \500
- Total stipend amount does not change = \$500
- Stipend amount adjusted for timebase does not change: $(\$500/0.4) = \1250
- Full time basepay for 2481 position does not change: $\$8050 + \$1250 = \$9300$
- Actual salary paid for 2481 position at 0.4 timebase = $(\$9300) * (0.4) = \3720