

THE CALIFORNIA STATE UNIVERSITY
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HR/SA 99-08

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

Supercedes HR/SA 99-03

From: Cathy Robinson
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Subject: Faculty (Unit 3) Agreement and Revised Salary Program for Fiscal Year 1998/99

The California State University has reached agreement with the California Faculty Association on a successor Collective Bargaining Agreement. This Agreement is different from and supercedes the resolution adopted by the Collective Bargaining Committee at the March 16-17, 1999 meeting of the CSU Board of Trustees. Highlights of the agreement that apply to Fiscal Year 1998/99 include the following:

- A 3.0% General Salary Increase (GSI) to the salary steps, ranges, rates and special schedules of Unit 3 classifications, effective September 1998 pay period.
- A 2.4% Service-based Salary Increase (SSI) for eligible unit members, subject to the SSI maximum, effective September 1998 pay period.
- Faculty Merit Increases (FMIs) have replaced Performance-Based Salary Increases (PBSIs) in recognition of demonstrated performance by a faculty unit employee. The merit pool for fiscal year 1998/99, effective July 1, 1998, is \$16.2 million, excluding associated benefits costs. Department chairs are considered with all other faculty and there is no separate additional pool. The joint memo from Employee Relations and Business and Finance, dated March 26, 1999, identifying each campus' share of the merit pool systemwide funds remains the same, excluding the funds previously identified for department chairs. **Campus funds may no longer be used to augment the merit pool.**

The effective date of FMIs will be retroactive to July 1, 1998 (with recipient selection concluded by November 20, 1999). The maximum FMI total for fiscal year 1998/99 is 7.5% (includes FMI base increase and bonus) of an employee's annual salary. Unexpended funds from the merit pool shall be rolled over and added to the campus merit pool for the next year.

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**TECHNICAL LETTER
HR/SA 99-08**

- Faculty members who are SSI eligible and receive an FMI will retain their SSI eligibility, whether or not the FMI places their salary above the SSI maximum.
- Employees may be paid at a salary rate that is between two salary steps in the salary schedule (“off-step” rate). Employees at the “full professor” rank for any instructional faculty classification may be paid at a salary rate that exceeds the top step in their respective classification. Salary advancements are no longer bound by step rate increments.
- Salary step maximums for Department Chair classifications (excluding Designated Market Discipline classifications) were increased by four (4) steps, resulting in a newly established salary range maximum that is 8% higher, effective July 1, 1998.

NOTE: Campus compensation allocations were included in coded memorandum B98-05, Attachments C and D, dated September 1, 1998.

Agreement Implementation Requirements:

1. General Salary Increases (GSI):

- The State Controller’s Office (SCO) will post a GEN transaction to result in a total 3.0% GSI via mass update retroactive to September 1998 pay period for employees with salary step structures. A 3% GSI will be posted for the September 1998 pay period, and a one-half of one percent (.5%) adjustment will be added to the 2.5% GSI already processed effective October 1, 1998. Mass update processing will be scheduled in early June 1999. The mass update will not be applicable to employees with Plus Salary rates. The employees who have Plus Salary rates will have their record manually adjusted by the SCO to reflect the GSI increase. This includes any department chair stipends that have been included as Plus Salary. Refer to the SCO’s Personnel Letter for processing timelines and instructions.

Revised payscales 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 WEBSITE (<http://www.calstate.edu/hrpims/salary.htm>) after the mass update has been completed.

- Employees appointed via Special Payment (A54) transaction (class codes 2322, 2323, 2357, and 2402) whose last day worked is 9/1/98 or later (regardless of the effective date of the A54 transaction) are entitled to the GSI. Special Payment transactions with an effective date of 9/1/98 or later are also entitled to the GSI. Campuses are responsible for adjusting any increased salary rate on special payment transactions previously keyed pursuant to HR/SA 99-03 via A54C.
- Campuses will be responsible for processing GEN corrections for employees who receive the GSI effective September 1998 pay period and who have or will subsequently receive a FMI retroactive to July 1, 1998. Campuses should refer to appropriate procedures for out-of-sequence processing.

2. Service-based Salary Increases (SSIs):

- To be eligible for a SSI effective the September 1998 pay period, an academic year employee must have been on an “active” payroll status on the day before the Fall

**TECHNICAL LETTER
HR/SA 99-08**

1998 term began or, for a non-academic year employee, at the close of business (COB) on August 31, 1998, and have a July, August or September 1998 anniversary date.

- SSIs will be recalculated and processed via MSA transaction by the SCO, after the adjusted GSI is posted. Employees shall retain their respective anniversary month, with the anniversary year (Item 330) and Final Salary Anniversary Date/MSA/SSI Counter (Item 958) adjusted as appropriate. Employees in an “off-step” condition will require the SSI amount to be processed as a Plus Salary (Item 815) using detail transaction code 71 (Item 719). This includes temporary appointments and rehired annuitants that incorporated the 1.5% salary increase via A52/A56 transaction. SCO will process these transactions. Off-step salary amounts must be included in all calculations for which base salary amounts are included (e.g., reporting purposes). Refer to SCO’s Personnel Letter for additional information.
 - On any occasion, on or after July 1, 1998, when the campus enters an initial value into the SSI counter field (appointments and promotions) and the initial salary rate is less than the SSI maximum, the SSI counter will be determined as the 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. Campuses may already have initiated the counter at 8. These should be recalculated and corrected if necessary, remembering to keep the final anniversary date in agreement with the counter. The SSI counter will be decreased by 1 for every SSI granted, regardless of the amount of the SSI.
 - **For all faculty employees, the SSI counter and the anniversary date are not affected by the award of FMIs, even if the FMI award causes their salary rate to exceed the SSI maximum.** These employees will continue to be eligible to receive SSIs until their SSI counter is reduced to zero, even though their salary is above the SSI maximum.
 - If an employee has never received an FMI, then it continues to be true that their salary may not exceed the SSI maximum solely by receiving SSIs.
 - It no longer will be possible for PPSD to audit that the employee’s salary, the SSI maximum, the SSI counter, and the anniversary date are all in agreement with one another. **It will become a campus responsibility to determine an employee’s continued SSI eligibility in accordance with the MOU.**
 - Beginning in 1999/2000, the SSI pool will be part of the total FMI pool. Faculty eligible for a SSI will be reviewed by the department and appropriate academic administrator, who shall either grant or deny the SSI. This review will take place prior to the FMI review process. Faculty who receive a SSI will also be eligible for up to a 7.5% FMI.
- 3. Faculty Merit Increases (FMI):**
- FMIs shall normally 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

**TECHNICAL LETTER
HR/SA 99-08**

exceed 7.5% of that faculty member's base salary (calculated on the salary in effect July 1, 1998 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. 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).

Campuses that process a FMI via SCR transaction which results in an "off-step" condition will need to enter the off-step amount in Item 815. The salary increase should advance the employee to the highest step attainable (e.g., from step 3 to Step 5), with any remaining "off-step" salary amount to be processed as the plus salary. Appropriate detailed transaction codes for the plus salary amount will be 50, 52, or 53 as applicable. Off-step salary amounts must be included in all calculations for which base salary amounts are included.

- Campuses may have employees who receive a SSI and subsequently receive a retroactive FMI, which causes their salary rate to exceed the SSI maximum (e.g., a SSI effective 09/98 followed by a FMI retroactive to 7/98). In this situation, the employees are entitled to retain the SSI already awarded.
- FMI bonuses (individual or group) will be paid via 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.
- Generally, retroactive employment history transactions affecting salary are processed automatically within the payroll system up to a twelve (12) month timeframe. Retroactive employment history transactions that exceed a 12 month timeframe require manual processing before any retroactive payments concurrent with that timeframe are made. In this instance, FMI recipient selections are not due

**TECHNICAL LETTER
HR/SA 99-08**

until November 20, 1999. It is anticipated that a majority of FMIs will be processed by the campuses in December 1999. Since the effective date of the FMI is July 1998, manual adjustments will be required for pay periods effective between July to November, 1998, and SCO's payroll unit will process these manual adjustments.

4. Department Chair Changes:

- The addition of four (4) steps to the salary rate maximums of the following Department Chair classifications increased the range by 8% effective July 1, 1998:
 - 0351 - CMA Department Chair, Cruise – AY
 - 0352 - CMA Department Chair, Lead Maritime Vocational Instructor – Cruise
 - 0353 - CMA Department Chair, Lead Maritime Vocational Instructor – Noncruise
 - 0354 - CMA Department Chair, Maritime Vocational Instructor – Cruise
 - 0355 - CMA Department Chair, Maritime Vocational Instructor - Noncruise
 - 2481 - Department Chair, 12 Month
 - 2482 - Department Chair, Academic Year
 - 7894 - Department Chair, SNP, Academic Year

- Employees serving as Department Chair will receive a minimum of \$80.00 per month of service as chairperson. Chairpersons of departments of eighteen or more full-time equivalent faculty will receive a minimum of \$120.00 per month of service as chairperson. Stipend amounts shall be incorporated into the base salaries of department chairpersons for the period in which they serve as department chair. Department chair stipend payments processed via PIP transaction will no longer be available with the September 1999 pay period. Refer to HR/SA 98-06 for additional information on incorporating a department chair's regular teaching assignment into the department chair position.

- Department chair stipend amounts must be reflected as a Plus Salary rate via CRO Transaction. Reference "DeptChairStip" in Employment History Remarks Item 215; in Item 719, use the detail transaction code of "73" to identify the plus salary for the department chair stipend. The stipend amounts shall be removed from salaries of department chairpersons effective on the date their chairperson assignment ends. If assignment ends via A60, delete Item 815.

5. Temporary Employees:

- Salary increase eligibility for lecturers shall be determined as follows:
 - (a) eligibility for salary increases effective prior to the March 17, 1999 Board resolution shall be determined based upon the expired Collective Bargaining Agreement (24 units on a semester campus or the quarter campus equivalent in the same department or equivalent unit);
 - (b) eligibility for salary increases effective between the period of March 17, 1999 through the May 1999 pay period shall be based upon Board resolution (30 units on a semester campus or the quarter campus equivalent in the same department or equivalent unit during **consecutive** academic years without a break in service). In this instance, temporary employees who may have accumulated units prior to the Board resolution date and who had a break in service for one or more academic years will not be able to count the previously accumulated units towards salary increase eligibility.
 - (c) eligibility for salary increases effective upon contract ratification and commencing with the June 1999 pay period shall be pursuant to Article 12.9

**TECHNICAL LETTER
HR/SA 99-08**

of the MOU (24 units on a semester campus or the quarter campus equivalent in the same department or equivalent unit).

- Pursuant to Article 12, lecturers who have served in their current range for five or more years, and who have no more SSI eligibility in the current range, shall be eligible to be considered for range elevation. Pursuant to Article 31, range elevation shall be accompanied by the advancement of at least two steps (5%) on the salary schedule. Range elevation shall be accomplished via A52 transaction. Item 215 should denote "Art12 rng chng". Procedures for range elevation on the salary schedules shall be established by the President at each campus.
- Pursuant to Article 12, temporary faculty unit employees (excluding coaches) employed during the 1998/99 academic year and possessing six or more years of service on that campus since July 1, 1993 shall be offered a two year temporary appointment commencing with the academic year 1999/2000. Refer to HR-ISA's Special Report x77 and x78, Cycle 9999, for assistance in identifying these individuals.
- Range Code 3 salary steps and ranges remain modified for Lecturer AY Stanislaus (2331), Lecturer AY (2358), Lecturer 12 Month (2359), Lecturer Statewide Nursing Program AY (2308), Librarian 10 MO (2919), Librarian 12 MO (2920), Supervising Librarian 10 MO (2913) and Supervising Librarian 12 MO (2914) classifications. The first four (4) steps of the B range (Range Code 3) are restricted for use to lecturers who have a current multiple year appointment. Steps 1-4 will be eliminated once they are no longer populated. Refer to Technical Letter HR/SA 97-06, Supplement #1, for additional information.

6. Promotion Article:

- Pursuant to Article 31.4, promotion shall be accompanied by advancement of at least three (3) steps (7.5%) on the salary schedule, effective prospectively upon ratification of the MOU. **However, this effective date may be modified and made retroactive to September 1998. Campuses will be informed if and when this is the case.** Larger increases may be funded from either the merit pay pool or campus funds. Merit pool funds may be used for market/equity adjustments as well.

7. Academic Year (AY) to 12 Month Salary Rate Conversion Factor Considerations

- The current Unit 3 salary schedule is a "step-rate" salary structure and the calculations used to determine the "conversion factor" which determines corresponding AY and 12 month salary rates is predetermined. Pursuant to Article 31.1, employees may be paid at salaries between the rates for each step, similar to "open-range" salary structures. As salary provisions permit greater flexibility for employee placement on step-rate structures, the conversion factor will require campus calculation for employees changing from "off-step" AY to 12 month salary rates, and vice versa.
- Campuses are requested to follow the procedure identified below when converting a faculty member's "off-step" salary rate from an AY to a 12-month salary rate, or vice versa. If an employee's department chair stipend amount has been incorporated

**TECHNICAL LETTER
HR/SA 99-08**

into their base salary, subtract the stipend amount before converting the salary and then add the stipend amount back on. Round to the next whole dollar amount for the monthly salary.

- Any off-step salary amount must be identified as a “plus salary” amount. To process a conversion calculation, the plus salary amount must first be added to the employee’s base salary:

For “Off-step” AY to 12 Month Conversions:

- Action: MULTIPLY the AY Salary Rate by 1.15
 $(\text{AY Salary Rate}) \times (1.15) = 12 \text{ Month Salary Rate}$

For “Off-step” 12 Month to AY Conversions:

Action: DIVIDE the 12 Month Salary rate by 1.15
 $(12 \text{ Month Salary Rate}) / (1.15) = \text{AY Salary Rate}$

For “Off-step” Extra and Summer Quarter Salary Conversions:

Action: MULTIPLY the off-step AY salary rate by four and then DIVIDE that amount by three
 $(\text{AY Salary Rate}) \times (4/3) = \text{Extra/Summer Qtr Salary rate}$

8. General Provisions:

- 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

- The duration of participation in FERP for faculty entering the program July 1, 1999 or thereafter shall **remain at 5 years**. One leave of absence from FERP shall be granted, for personal illness only. **This leave revision applies to all participants in FERP, regardless of when they entered the program.**
- Paid maternity/paternity leave has been increased from 10 days to 20 days for **all** eligible faculty unit members, effective prospectively upon ratification of the MOU.

Employment history processing instructions needed to implement the revised 1998/99 faculty salary program will be issued by the State Controller’s Office. Questions regarding processing instructions should be directed to your campus CSU Audits representative at the State Controller’s Office. Questions regarding other aspects of this technical letter may be directed to Cordelia Ontiveros at (562) 951-4503. 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.

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