University of Idaho

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TO: UI Deans and Unit Managers

FROM: Brian Foisy, Vice President for Finance
John Wiencek, Provost and Executive Vice President

DATE: April 13, 2017

SUBJECT: FY2018 Salary Process

With the 2018 legislative session at an end, we are preparing to finalize the budget for FY2018. As you may know, Gov. C.L. "Butch" Otter recommended a 3 percent Change in Employee Compensation (CEC) for state employees in his executive budget. With the passage of Senate Bill 1152, the state legislature has officially funded that recommendation.

The salary guidelines outlined below will direct compensation administration for UI employees for the coming fiscal year (FY2018). State appropriations will cover approximately 60 percent of the cost of General Education increases and legislation provides authorization to fund the balance of the increase from student tuition. Accordingly, we have proposed a 6 percent tuition/fee increase for the coming academic year. This plan will be presented to the State Board of Education on April 19, 2017.

As in recent years, the CEC will be based on employee merit, with flexibility in distribution. Practically speaking, this means the institution will have access to a CEC pool equivalent to 3 percent of General Education salaries. This is an average figure and does not mean every meritorious employee will receive a 3 percent raise.

Actions and Timeline:

- Distribute guidelines for university base salary increase process: April 13
- Initial salary recommendations provided to units: April 17
- Additional increase recommendations from units due to Budget Office: April 21
- Salary changes effective: July 2
- Salary increases reflected in pay checks: July 28

The initial phase of this process will be managed centrally (permanently budgeted positions only), and reports will be available for review prior to submission of additional recommendations. Salary agreements/letters for continuing employees will be issued at the conclusion of the process and will reflect annualized salaries.

Please contact Trina Mahoney in the Budget Office (208-885-4387 or tmahoney@uidaho.edu) if you have questions about the implementation process or Wes Matthews in Human Resources (208-885-3478 or wmatthews@uidaho.edu) if you have questions specific to staff salary recommendations.

FY2018 Salary Guidelines

The University of Idaho issues the following guidelines for the preparation of FY18 salary recommendations for all categories of regular (benefits-eligible) employees, permanent and contingent.

General Guidelines: Permanent and contingent regular employees, regardless of salary funding source, are to be considered in this process. Increases for permanently budgeted positions will be implemented by the Budget Office using the web-based salary model program based on the parameters described below.

Eligibility: Merit-based increases are available for employees with an initial hire date on or before January 9, 2017, who have a current performance evaluation of at least “Satisfactory/Meets Expectations” as required by State of Idaho Division of Financial Management guidance. Staff (classified and exempt) otherwise eligible and hired after January 9 but before April 1, 2017 may receive a market rate adjustment if they are below their minimum market rate as determined by Human Resources. Staff hired on or after April 1, 2017 are not eligible for salary increases. Temporary help (TH) and employees on performance-related probation are not eligible for a merit increase.

Note: Regular contingent (.01 suffix) employees are eligible for this CEC increase and should be given the same consideration as permanent (.00 suffix) employees. Salary agreements and an Electronic Personnel Action Form (EPAF) must be completed by the relevant department for these .01 suffix employees as part of the annual reappointment process. Spreadsheets will be provided indicating increase amounts for these employees based on the salary increase range parameters below.

RA/TA: The state FY18 CEC appropriation does not include funding for RA/TA positions.

Salary Increase Range: The FY2018 CEC appropriation to the University of Idaho is equivalent to 3 percent. Individual eligible employees will receive a total salary adjustment of no less than 2 percent. Some employees may receive a larger total salary adjustment based on the salary increase specifics as follows:

- Eligible employees will receive a 2 percent increase.
- FY18 increments for faculty promotions in rank will be applied after the 2 percent increase.
- Service-based market adjustments for eligible classified and exempt staff will be applied after the 2 percent increase.
- Subject to available resources in the sponsoring unit, supervisors may recommend additional increases to address unusual, extraordinary or compelling salary issues (market rate, gender equity, salary compression/inversion, retention challenges, unit reorganizations, etc.). Recommendations should include a brief justification, and are subject to Human Resources review, approval by the appropriate vice president, the provost/executive vice president or the president (for areas reporting directly to the president) and final approval by the executive vice president and the president.

Funding Sources: A pool of funds will be managed centrally based on the FY17 permanently budgeted State Appropriated (General Education, Ag Research and Extension, FUR, IGS, WWAMI and WI) and Centrally Allocated salaries. This pool of funding will not include funding for salaries permanently budgeted on revenue-generating General Education budgets.

Vacant Positions: In order to maximize funding for existing employees, vacant positions will not receive CEC funding.

Classified Staff on Hiring Probation: Classified staff hired on or before January 9, 2017, who have not yet completed the introductory probationary period but are making satisfactory progress may be recommended for increases during the salary recommendation process. However, increases are deferred until the six-month probationary period is satisfactorily completed. Once the employee successfully passes probation, the department must complete an EPAF to implement the pay increase. See University of Idaho Faculty Staff Handbook Chapter 3: Section 3440 D-2. Employees on performance-related probation are not eligible for salary increases.

Process: The Budget Office will process increases for permanently budgeted positions based on the above guidelines through the web-based salary model (see above for .01 suffix employees). Initial recommendations will be provided to deans and unit leaders for review prior to submission of additional recommendations. Proposed additional increases will be reviewed by Human Resources and approved by the appropriate vice president, the provost/executive vice president or the president (for areas reporting directly to the president), and all recommendations will receive final approval by the executive vice president and the president. This executive review and approval process will occur concurrent with reviews by units, the Budget Office and Human Resources prior to implementation.

Due Dates: The Budget Office and Human Resources will provide spreadsheets indicating initial salary changes (above increase parameters excluding unit funded additional increases) by April 17. This information should be reviewed by the appropriate administrator (dean/unit leader) and returned to the Budget Office along with a cover letter and any unit funded additional increases by April 21. All additional increase recommendations should include a brief justification. Please also send this information to the appropriate vice president, the executive vice president/provost or the president. The Budget Office will provide copies of all submittals to Human Resources.

The cover letter from the dean or unit administrator should indicate that the spreadsheet has been reviewed for accuracy and does not include increases for ineligible employees (those who did not receive at least "Satisfactory/Meets Expectations" on their current performance evaluation). The letter should also include any changes to split-funded positions as well as a list of any probationary employees who will not have completed their probationary period at the start of the new fiscal year. Finally, the letter should include brief justifications and funding source(s) for any unit-funded additional increases.

Finally, in support of the market-based compensation initiative, we have identified additional funds that will be committed to faculty and staff salaries once the market rate models are established. Depending on the timeline for completion, these additional funds will be allocated either in the form of a mid-year increase or as an increment to the FY19 CEC cycle. Funds identified through the program prioritization process may add to this increment, as would any funds generated by enrollment growth.

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