TO: Budget Directors and Budget Managers

FROM: Wanda Heading-Grant, Vice President
       Human Resources, Diversity and Multicultural Affairs (HRDMA)
       Alberto Citarella, University Budget Director
       Financial Analysis and Budget (FAB)

DATE: April 4, 2018

SUBJECT: FY 2019 Wage and Salary Increase Guidelines for Non-Represented Staff

UVM is committed to compensating staff competitively and equitably, always with attention to
student affordability and within the scope of available resources.

The quality and commitment of UVM’s faculty and staff are critical for maintaining excellence in
instruction, research and public service to the citizens of Vermont.

FY 2019 WAGE/SALARY INCREASE GUIDELINES

Pending approval of the FY 2019 budget by the Board of Trustees, wage/salary base budgets will
be incremented to fund a 2.0% total salary pool for non-represented staff. There will be a 1.5%
cost of living adjustment, and an additional 0.5% merit pool of money to be used to reward
individual non-represented staff for exceptional performance. The merit pool money may only be
used for staff salary increases, and not for other purposes.

These wage and salary guidelines apply to non-represented staff members paid on restricted,
income/expense, and general funds only, and do not apply to staff members represented by a
union. For represented staff, FY 2019 increases will be determined in accordance with the terms
of applicable collective bargaining agreements.

Issues regarding apportionment of salary increases among staff, eligibility requirements for salary
increases, and increase levels are addressed in the section below titled “Individual Increases.”
Additional questions regarding these issues should be directed to Greg Paradiso, Director of
Benefits, Classification and Compensation, and HRIS.

Issues regarding how College and Division budgets will be reviewed by the Financial Analysis and
Budget Office (FAB) are addressed in the section below titled “Budget Review.” Additional
questions regarding these issues should be directed to the FAB office.

INDIVIDUAL INCREASES

Cost of Living Adjustment
Staff who began work at UVM prior to April 1, 2018, and whose performance was rated as
satisfactory or better should receive a minimum wage/salary increase equal to the FY 2019 cost of
living increase of 1.5%. In cases of documented deficient performance or prior written agreement,
a lesser or no increase may be appropriate (documentation must accompany budget submissions).

5
Increases for new staff hired from outside of UVM between April 1, 2018 and June 30, 2018 are optional, except for increases required to meet new pay band minimums that becomes effective July 1, 2018.

Internal UVM staff members who are promoted or hired into new positions between April 1, 2018 and June 30, 2018 must receive their July 1st increase in addition to any promotional increase that they may have received prior to July 1, 2018.

Merit Increases
A merit pool of 0.5% of the FY19 staff salary budget will be apportioned to each vice president in a support center or allocated by each dean in a responsibility center for the purpose of funding the merit pool. The results of each individual’s annual performance review will play a key role in the determination of exceptional performance warranting a merit increase. Please note that an individual’s merit increase may exceed 0.5%, so long as each College or Department/Division’s total increases do not exceed their FY19 total staff salary apportionment of 2%. See below for more guidance.

To award a merit increase, supervisors must submit supporting documentation that includes an up-to-date performance evaluation and a memo documenting exceptional performance to the department or unit administrator/chair for consideration. The department or unit administrator/chair will review each supervisor’s recommendations and supporting documentation with their Dean or VP’s office for final approval.

Practical Application
A practical way to allocate merit increases is to distribute them by dollar amount (rather than by percentages) because it is easy to see the actual dollars that staff are being awarded for their exceptional performance. For example, if a business unit has $2,000 to be distributed among ten staff members and documentation supports a merit award for each, it may be appropriate to give each staff member an equal amount, or to rank them by performance, as illustrated by the following scenarios:

1) All four are equally exceptional in their performance.
   Award each employee $500.

2) One staff member stands out as highly exceptional, and the other three are equal to each other.
   Award $800 to the top performer, and $400 each to the other three.

3) All four staff members are exceptional, but their levels of performance differ.
   Break the $2000 pool down into several increments (such as $650, $550, $450 and $350, or $800, $600, $400 and $200) and distribute in order of performance.
Increases Above 1.5%
Increases above 1.51% and up to 2.99% (with an additional merit component) require the supervisor to submit the supporting documentation described above at the department level. While the supervisor must submit supporting documentation, these increases are only reviewed by the Dean’s or VP’s office, and do not require specific approval.

Increases that exceed 3% (with an additional merit component), also require the supervisor to submit the supporting documentation described above at the department level. These increases require approval at the Dean/VP level before budget submission.

Total Increases Above 4.0%
For total increases (both cost of living and merit) above 4.0%, where no promotion is involved, documentation must accompany budget submissions for review and approval by the Vice President for Human Resources, Diversity and Multicultural Affairs.

Equal Distribution of 0.5% to All Employees in a Department or Unit
In cases where the full 0.5% merit increase has been distributed equally to all staff in a department/unit, performance reviews must be submitted, along with a written memo justifying why all staff were ranked as equally exceptional.

Compression
The merit increase pool will not be used to address salary compression. If you have concerns about salary compression, please discuss them with the HR Administrator for your college/unit, who will work with Classification and Compensation staff to assist you.

Pay Band Minimums and Maximums
Staff members cannot be paid below the pay band minimum. Likewise, if a staff member’s current wage/salary is above the new pay band maximum, their FY 2019 increase will be limited to the 1.5% cost of living increase. Exceptions to this practice must be approved in advance by the Vice President for Human Resources, Diversity and Multicultural Affairs.

Pay bands will be adjusted as needed to reflect changes in market values, based on the annual review of survey data. Guidelines and pay bands will be available after April 4 and May 1, 2018 respectively on the FAB web site.

Probationary Employees and External Funding
Adjustments after July 1, 2018 will be allowed in situations where unassigned wage dollars become available for distribution, such as:

- Some staff in a college or business unit are in their probationary period, and successfully complete their probationary period after July 1. The college or business unit may award these staff members the cost of living increase (1.5%) when they successfully complete probation.
- External funding is still unknown at the time of budget submission. Such adjustments may be retroactive to July 1 (or a specified date between July 1 and the beginning date of a granting period) only when they are funded by external sources
that were not available on July 1. Retroactive dates must be specified in the submitted plan.

**Wage/Salary Reconsideration Procedure**

Staff who believe that their business unit did not correctly adhere to the salary guidelines should first bring their concerns to their supervisor, business manager, or Dean/VP, as appropriate. Further concerns should be directed to Greg Paradiso, Director of Benefits, Compensation, and HRIS.

**Shift Differential Premiums and Minimum Wage Rate**

Shift differentials for eligible non-represented staff are paid as a percentage of hourly rates as follows:

- 6% of pay band minimum for second shift;
- 8% of pay band minimum for third or rotating shifts.

The State of Vermont minimum wage is currently $10.50/hour. This is the lowest allowable rate for temporary staff. If the State of Vermont increases the minimum wage, the lowest allowable rate for temporary staff will increase accordingly.

**Questions**

Questions regarding information in this section should be directed to Greg Paradiso, Director of Benefits, Compensation, and HRIS, at 656-3102.

**BUDGET REVIEW**

All support centers will see increments provided to their staff salary budgets of 2.0%. Vice presidents and deans within responsibility centers and hybrid cost centers will be responsible for ensuring that their staff salary budgets are increased by 2.0%. The FAB office will review budgets at the college or division level, not at the individual department level, to ensure they have been incremented by 2.0% in the following manner:

\[
\frac{\text{New Year Wage/Salary of Continuing Staff}}{\text{Old Year Wage/Salary of Continuing Staff}} = \% \text{ Increase}
\]

This calculation includes staff paid from all sources: general, income/expense, or restricted funds. It excludes staff with changes in title, pay band, FTE or term of appointment. If a vice president or dean expects to exceed the total salary increase (both cost of living increase and merit increase) by more than 0.1%, they must submit written justification to the Department of Financial Analysis & Budgeting by May 18, 2018. Pool percentage increases for areas will be reviewed to ensure that vice presidents and deans adhere to the intent of these guidelines.

**Use of Cost of Living and Merit Increase Funds**

Funds for both the cost of living and merit increases can only be used for wage or salary increases, and cannot be used to create positions, fund parts of existing positions, or for other budget categories. Each college and division’s increases will be reviewed to ensure that there is a consistent application of these guidelines across campus.

**Area Wage/Salary Increases**
Funds available as a result of staff turnover or other changes may be used to supplement individual percentage increases for ongoing staff, as long as unfilled position budgets remain adequately funded. Any use of funds in this manner resulting in the above calculation exceeding the 2.0% pool by more than 0.1% will require a notice to the FAB office by May 18, 2018 as indicated above. In addition, managers are encouraged to maintain sufficient unassigned dollars to fund overlaps in employment, reclassifications, off cycle increases, overtime costs, changes in FTE, etc.

**SUMMARY OF SITUATIONS THAT REQUIRE DOCUMENTATION TO FAB**

Written justification to the Department of Financial Analysis & Budgeting is required for area pool increases **prior to May 18th**, when
- A vice president or dean expects to exceed the cost of living and merit pools by 0.1%

Written justification to the Department of Financial Analysis & Budgeting is required with budget submissions **by May 25th** for individual staff wage/salary increases in any of the following circumstances:
- An individual receives less than the cost of living adjustment increase of 1.5%;
- An individual receives an increase of more than 4.0%;
- An individual’s FY 2019 salary is greater than the FY 2019 pay band maximum and they receive more than 1.5%;
- Post-July 1 fiscal year adjustments are planned.

**WAGE/SALARY NOTIFICATION DEADLINES:** Wage/salary adjustments, including all required documentation are due with budget submissions, no later than **May 25, 2018**. The guidelines above will be used to review wage and salary decisions for accuracy and compliance. Exceptions must be approved in advance by the Vice President for Human Resources, Diversity and Multicultural Affairs. Both the review and approval processes should be completed by **June 20, 2018**; staff wages/salaries are not official prior to that date.

*It is important for each budget director to ensure that staff members in their College or Division are appropriately informed of their new compensation (and its rationale) once the approval process is complete.*

If you have questions about these guidelines, please contact Greg Paradiso, Director of Benefits, Compensation, and HRIS at greg.paradiso@uvm.edu or 656-3102, or Financial Analysis & Budgeting at 656-3244.

**APPENDIX**

Definitions of Performance Ratings

**Exceptional Performance (EP):**
Employee significantly and consistently surpasses performance expectations in the majority of competencies or accountabilities. Exceeds role requirements. Demonstrates exceptional depth and breadth of role knowledge. Recognized as a role model by others.
Solid Performance/Satisfactory (SP):
Employee consistently and satisfactorily meets requirements for this position. May have one or more areas of exceptional performance and/or may have one or more competencies or accountabilities that need development or enhancement.

Improvement Needed (IN):
Employee's performance needs to improve in one or more areas of competency and/or accountability for position. Improvement is immediately required in areas critical for success in position. If the supervisor identifies that performance improvement is needed, a Performance Improvement Plan may be initiated to contribute to growth in identified area(s).

Unsatisfactory (UN):
Employee's performance consistently fails to meet the job requirements in one or more areas and adversely affects the department's ability to accomplish its mission. Substantial improvement is immediately required in areas critical for success in position. Formalized documentation of issues and/or expectations is appropriate and must be completed. If the supervisor identifies that performance is unsatisfactory a Performance Improvement Plan will be initiated to contribute to growth in identified area(s).