TO: Budget Directors and Budget Managers  
FROM: Barbara Johnson, Associate Vice President for Human Resources  
Alberto Citarella, University Budget Director  
DATE: April 26, 2013  
SUBJECT: FY 2014 Wage and Salary Increase Guidelines for Non-represented Staff

UVM is committed to compensating employees competitively and equitably, always with attention to student affordability and within the scope of available resources.” Parameters of Compensation at the University of Vermont, http://www.uvm.edu/hrsl/Page=unibac/parameters.html.

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. Therefore, even in these turbulent economic times, compensation remains a top priority of the University. That priority is evident in light of proposed raises for all staff. Despite economic improvement, other colleges and universities continue to have significant layoffs of staff, program eliminations, salary reductions as well as salary and hiring freezes. Four of eighteen peers currently estimate a 0% FY 2014 staff salary increase.

GENERAL GUIDELINES

Subject to approval of the FY 2014 budget by the Board of Trustees, general fund wage/salary base budgets will be incremented by 2.9% to fund increases of that amount. There will be no additional increment to fund market adjustments, equity adjustments or extraordinary merit. This budget increment does not apply to units funded by revenue formula, including the College of Medicine, Extension System and Agricultural Related Services.

These wage and salary guidelines apply to non-represented staff members paid on restricted, income/expense and general funds. These guidelines do not apply to staff members represented by a union. For represented employees with settled contracts, FY 2014 increases will be awarded according to the terms of applicable collective bargaining agreements.

Section 487 (a)(20) of the Higher Education Act (HEA) prohibits the University from providing incentive compensation to employees for their success in securing student enrollments or the awarding of Title IV HEA program funds.

REVIEW OF TARGET AREA INCREASES

A target area is defined as the largest aggregate of budgets for a budget director who reports directly to the Vice President for Finance and Enterprise Services, the Senior Vice President/Provost or the President. Each target area’s proposed staff salary budget increase will be prepared by the Office of Financial Analysis & Budgeting based on 2.9% times the FY 2013 general fund salary base for non represented staff employees.

This calculation excludes staff with changes in title, pay band, FTE or term of appointment; and it includes staff paid from general funds.

➢ Use of general fund wage and salary increase funds
Funds from the 2.9% fixed increase must be used for wage or salary increases for eligible employees and cannot be used to create positions, to fund parts of existing positions or for other budget categories. Target areas will be monitored to ensure that all fixed salary increase funds are used.

- **Target area wage/salary increases**
  Target area increases for FY 2014 may not exceed 2.9%. Base budget wage/salary funds available because of turnover or other changes may not be used to supplement target increase funds or to supplement the fixed raise amount.

### FY 2014 WAGE/SALARY INCREASE GUIDELINES

#### FY 2014 PAY BANDS

*Staff members cannot be paid below the pay band minimum.* Effective July 1, 2013, Career/Pay system pay bands will be adjusted as needed to reflect changes in market values, based on the annual review of survey data. Both guidelines and pay bands will be available after April 18, 2013 at http://www.uvm.edu/~ofabweb/.

#### INDIVIDUAL INCREASES

- **Fixed increases**
  It is expected that staff members who began work at UVM prior to April 1, 2013, will receive a wage/salary increase equal to the FY 2014 fixed increase of 2.9%. In cases of documented unsatisfactory performance or prior written agreement, no increase may be appropriate. *Documentation must accompany budget submissions.*

  *Increases for new staff members hired from outside UVM between April 1, 2013 and June 30, 2013 are optional,* except for those employees whose wages/salaries need to be increased to the new pay band minimum. Fiscal year *increases are required for all current UVM employees in addition to any increase received as the result of an internal promotion or being hired into a new department between April 1, 2013 and June 30, 2013.*

- **Market, equity and extraordinary merit increases**
  After awarding the fixed increase of 2.9%, there will be no additional increases for market adjustments, equity adjustments and extraordinary merit.

- **Pay band maximums**
  If a staff member’s wage/salary is above the maximum of the pay band and their performance has been satisfactory, they will receive the 2.9% fixed increase.

- **Delayed fiscal year increase decisions**
  Delayed fiscal year increase decisions are possible when employees are in their probationary period or part of a constructive discipline process through July 1. These delayed decisions must be pre-approved and are allowed only when *specific, written plans accompany the budget submission.* All plans must conform to staff wage/salary guidelines. Approved plans, retroactive to July 1, may be implemented at the discretion of the budget manager.
➢ **Shift differential premiums**
Shift differentials for eligible non-represented employees 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

➢ **Minimum wage rate**
The State of Vermont minimum wage will remain at $8.60/hour. Currently, this is the lowest allowable rate for temporary employees. The State of Vermont typically plans to increase the minimum wage effective on January 1; we will notify you when the change occurs.

➢ **Wage/salary appeal procedure**
Staff members who believe they have been treated unfairly in the fiscal year salary process may request reconsideration by the appropriate supervisor and then consult with an Employee Solutions Advisor in Human Resource Services concerning appeal procedures. Any request for reconsideration or appeal must be initiated promptly. Adjustments resulting from successful appeals are generally effective in the following budget year if the wage/salary pool has been fully distributed at the time the appeal is concluded.

**SUMMARY OF REQUIRED DOCUMENTATION**

➢ **Written justification is required to document individual staff wage/salary increases, when:**
  - An individual receives less than the fixed increase of 2.9%.
  - Delayed fiscal year increase decisions are planned

---

**WAGE/SALARY NOTIFICATION DEADLINES:**
Wage adjustments, including all required documentation are due with budget submissions, no later than **May 24, 2013**.

Wages/salaries are reviewed for accuracy and compliance with these guidelines. Exceptions must be approved by the Vice President for Finance and Enterprise Services and/or the Senior Vice President/Provost. Both the review and the approval process should be completed by **June 18, 2013**.

Employee wages/salaries are not official prior to that date.

*It is important that each budget director ensures that staff members are informed what their new compensation is and the rationale upon which it was determined.*

Please contact Human Resource Services (6-3102) or Financial Analysis & Budgeting (6-3244), if you have questions about these guidelines.