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/hrs/?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 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 also continue to experience budget challenges. The average estimate for staff salary increases at peer institutions is 2.31% and two of twenty-two peers currently estimate a 0% FY 2016 staff salary increase.

**GENERAL GUIDELINES**

Pending approval of the FY 2016 budget by the Board of Trustees, general fund wage/salary base budgets will be incremented by 1.6% to fund across the board increases and by an additional 1.15% to fund merit and compelling compression. Non-salary funds from the unit (operating, equipment funds) cannot be reallocated to support salary increases. 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 2016 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**

Each target area’s proposed overall increase percentage will be reviewed by Financial Analysis & Budgeting, and is calculated as follows:

\[
\frac{\text{New Year Wage/Salary of Continuing Staff}}{\text{Old Year Wage/Salary of Same Staff}} = \% \text{ Increase for unit}
\]
A target area is defined as the largest aggregate of budgets for a budget director who reports directly to a Vice President, the Provost/Senior Vice President or the President. This calculation excludes staff with changes in title, pay band, FTE or term of appointment; and it includes staff paid from all sources: general, income/expense or restricted funds.

- **Use of general fund wage and salary increase funds**
  Funds from the 1.6% across the board and the 1.15% discretionary merit and compression pool must be used for wage or salary increases 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 the percentage increase for the unit is at least 2.75%.

- **Target area wage/salary increases**
  Base budget wage/salary funds available because of turnover or other changes may be used to supplement individual percentage increases for ongoing staff, as long as unfilled position budgets remain adequately funded. In addition, managers are encouraged to maintain sufficient unassigned dollars to fund overlaps in employment, reclassifications, off cycle increases, changes in FTE, etc.

**FY 2016 WAGE/SALARY INCREASE GUIDELINES**

**FY 2016 PAY BANDS**

*Staff members cannot be paid below the pay band minimum.* 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 May 1, 2015 at [http://www.uvm.edu/~ofabweb/](http://www.uvm.edu/~ofabweb/)

**INDIVIDUAL INCREASES**

- **Across the board increases**
  It is expected that staff members who began work at UVM prior to April 1, 2015, will receive a wage/salary increase equal to the FY 2016 across the board increase of 1.6%, if their performance has been satisfactory. In cases of documented seriously deficient performance or prior written agreement, a lesser or no increase may be appropriate. *Documentation must accompany budget submissions.*

  Increases for new staff members hired from outside UVM between April 1, 2015 and June 30, 2015 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, 2015 and June 30, 2015.*
- **Merit and compelling compression**
  An additional 1.15% will be available, to the budget director, to be distributed to staff members on the basis of extraordinary merit and compelling compression.

  In determining merit awards, the sustained performance of every staff member should be evaluated relative to the responsibilities of their position. To identify compression, each staff member’s wage/salary rate should be analyzed in relation to others in the unit. Please be aware of the importance of monitoring the wages/salaries of meritorious continuing staff in relation to the starting wages/salaries of newly hired staff. *It is appropriate to award flat dollar increases for employees rather than percentage increases where the compounding effect of percentage increases over time may create compression.* For advice and guidance about compression, contact Classification & Compensation.

- **Increases above 1.6%**
  Variable individual increases, above the 1.6% across the board increase, that are funded by the 2.75% pool do not require written explanation.

- **Pay band maximums**
  If a staff member’s wage/salary is above the maximum of the pay band, their FY 2016 increase will be limited to 1.6% only if their current (FY 2015) wage/salary exceeds the FY 2016 pay band maximum by 5% or more. Exceptions to this guideline are granted in cases of unusual exceptional merit or compelling compression. Written request for exceptions must accompany the budget submission, for review by Classification & Compensation and approval by the Vice President Human Resources, Diversity & Multicultural Affairs.

- **Wage/salary fiscal year adjustments after July 1**
  Post-July 1 fiscal year adjustments are meant to address situations that can be anticipated during the budget process; they are pre-approved within the budget process. They differ from “Off Cycle” base salary adjustments resulting from unanticipated organizational changes, which are not granted retroactively and require approval by Classification and Compensation.

  Wage/salary fiscal year adjustments after July 1 are allowed when *specific, written plans accompany the budget submission.* All plans must conform to staff wage/salary guidelines. Approved plans may be implemented at the discretion of the budget manager as funds become available. Specifically, adjustments after July 1 will be allowed in these cases:

  - **When unassigned wage/salary dollars become available within the fiscal year.** Post-July 1 adjustments are possible when the adjustment addresses extraordinary merit or compelling compression or when 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 not available on July 1. Retroactive dates must be specified in the submitted plan.

  - **When unassigned wage/salary dollars are available for distribution on July 1.** Post-July 1 adjustments are possible for employees who will be in their probationary period or part of a constructive discipline process through July 1.
- **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 Classification & Compensation 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.

- **Shift differential premiums and minimum wage rate**
  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

  The State of Vermont minimum wage is $9.15/hour. Currently, this is the lowest allowable rate for temporary employees. The State of Vermont plans to increase the minimum wage to $9.60 effective January 1, 2016.

**SUMMARY OF REQUIRED DOCUMENTATION**

- **Written justification is required for individual staff wage/salary increases, when:**
  - An individual receives less than the across the board increase of 1.6%.
  - An individual whose FY 2015 salary exceeds the FY 2016 pay band maximum by 5%, receives more than 1.6%
  - Post July 1 fiscal year adjustments are planned.

**WAGE/SALARY NOTIFICATION DEADLINES:**  *Wage adjustments, including all required documentation are due with budget submissions, no later than May 29, 2015.*

Wages/salaries are reviewed for accuracy and compliance with these guidelines. Exceptions must be approved by the Vice President for Human Resources, Diversity & Multicultural Affairs. Both the review and the approval process should be completed by June 18, 2015. Employee wages/salaries are not official, and therefore should not be communicated to individuals, 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 once the approval process is complete.*

Contact Classification & Compensation (6-3102) or Financial Analysis & Budgeting (6-3244), if you have questions about these guidelines.