

TO: Budget Directors and Budget Managers  
FROM: Barbara Johnson, Associate Vice President for Human Resources  
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DATE: April 20, 2009  
SUBJECT: FY 2010 Staff 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.” *President Daniel Mark Fogel, Parameters of Compensation at the University of Vermont, January, 2007*

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 a recent survey, where ten of our twenty-six peer institutions estimated a 0% FY 2010 staff salary increase, and where the remaining 16 estimated an average of 1.92%.

## **GENERAL GUIDELINES**

Subject to approval of the FY 2010 budget by the Board of Trustees, that portion of the general fund wage/salary base budgets that represents positions budgeted at the 1.0 FTE, 12 month equivalent of \$75,000 or less will be incremented by 2.0% to fund fixed increases of that amount for eligible employees. There will be no increment for that portion of the wage/salary base budgets that represents positions budgeted at the 1.00 FTE, 12 month equivalent of \$75,001 or more. There will be no additional increment to fund market or equity adjustments and 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 2010 increases will be awarded according to the terms of applicable collective bargaining agreements.

## **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 & Budget based on 2% times the FY 2009 general fund salary base for non represented staff employees who are eligible for an FY 2010 raise as defined by these guidelines. :

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 2.0% 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 2010 will be a function of the number of eligible employees within the unit. 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 to eligible employees.

## **FY 2010 WAGE/SALARY INCREASE GUIDELINES**

### **FY 2010 PAY BANDS**

*Staff members cannot be paid below the pay band minimum.* Effective July 1, 2010, some Career/Pay system pay bands will be adjusted 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, 2009 at <http://www.uvm.edu/~ofabweb/>.

### **INDIVIDUAL INCREASES**

➤ **Fixed increases**

Staff earning a 1.00 FTE, 12 month equivalent of \$75,001 and over will not receive a FY10 fiscal year increase. Staff members earning a 1.00 FTE, 12 month equivalent of \$75,000 or less who began work at UVM prior to April 1, 2009, will receive a wage/salary increase equal to the FY 2010 fixed increase of 2.0%, if their performance has been satisfactory. Employees earning \$75,000 or less whose FTE and term calculations result in a full time equivalent rate of \$75,001 or more will not be eligible for the 2% fixed increase per the following examples:

An employee @ .80 FTE for 12 months whose actual amount earned is \$62,000, earns at a full time equivalent or annualized rate of \$77,500.

An employee @ 1.00 FTE for 9 months whose actual amount earned is \$62,000, earns at a full time equivalent or annualized rate of \$82,667.

In cases of documented unsatisfactory performance or prior written agreement, no increase may be appropriate. *Documentation of no increase situations due to performance issues must accompany budget submissions.*

*Increases for staff members hired between April 1, 2009 and June 30, 2009 are optional, except for those employees whose wages/salaries need to be increased to the new pay band minimum.*

➤ **Market, equity and extraordinary merit increases**

After awarding the fixed increase of 2.0%, there will be no additional increases for market or equity adjustments and extraordinary merit.

➤ **Pay band maximums**

If a staff member's wage/salary is above the maximum of the pay band and they are not currently earning a 1.00 FTE, 12 month equivalent of \$75,001 and over, they will receive the 2% fixed increase.

➤ **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 Human Resource Services.

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:

○ **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.

➤ **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 \$8.06/hour. Currently, this is the lowest allowable rate for temporary employees. The State of Vermont plans to increase the minimum wage effective January 1, 2010; 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 2.0%.
  - 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, 2009.*

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 20, 2009. 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.