

University of Louisville
2011-12 Operating Budget

SALARY INCREASE GUIDELINES

INTRODUCTION

President Ramsey and the senior leadership team are committed to providing equitable compensation to all University employees. The leadership team considers compensation one of the key strategic initiatives for the University. Toward that end, funds totaling approximately 3.0% of general fund faculty and staff salaries for filled positions are being made available for annual pay adjustments. Additionally, the proposed FY 2011-12 budget includes funds for faculty promotions, staff promotions and reclassifications, and increases in the employer-paid cost of health insurance, social security, retirement contributions and other miscellaneous employee benefits.

This document provides the guidelines and instructions for budgeting pay increases for FY 2011-12. **It is essential that salary increase decisions and updating be completed no later than Friday, April 15, 2011.**

SALARY AND WAGE GUIDELINES BY CLASSIFICATION

Salary and wage increases for all university units shall be computed and distributed in accordance with the following guidelines:

FACULTY

Funds totaling 3.0% of budgeted general fund faculty salaries, not including vacant positions, are available for performance-based faculty salary adjustments. Units with faculty positions funded from sources other than general funds must also adhere to these University-wide guidelines. Individual salary adjustments for faculty receiving satisfactory or higher performance evaluations may range from 0% to a maximum increase of 5%, but the average of such increases for each major academic unit must equal 3.0% overall.

Regular Full-Time Faculty: In determining performance-based increases for individual faculty members, deans are encouraged to consult with either their collective faculty or an appropriate faculty advisory committee. This consultation should be in conjunction with unit performance-based salary increase policies or other existing unit policy. Final salary increase decisions, however, are the responsibility of the respective dean.

- Academic units shall prepare a written performance evaluation for each faculty member consistent with the policies and procedures of that unit. The evaluations must clearly support differences in individual performance that are used in the assignment of performance-based salary increases.

- Faculty members receiving an “unsatisfactory” performance evaluation are not eligible for a performance-based salary increase.

Regular Part-Time Faculty: For the purpose of this salary policy, regular part-time faculty who are separately budgeted as an individual line item shall be treated the same as regular full-time faculty.

Term Faculty: For the purpose of this salary policy, term faculty who are separately budgeted as an individual line item shall be treated the same as regular full-time faculty.

Instructional/Lecturer Lump Sums: These instructional budgets shall be increased 3.0% across-the-board. The University’s leadership team directs that *contract part-time faculty paid from Lecturer Lump Sums should receive a 3.0% pay increase*. Each academic unit must submit and receive approval from the Executive Vice President and Provost a unit salary distribution plan for contract part-time lecturers.

Academic Administrators: Associate deans, assistant deans, department chairs and directors of academic programs and centers and institutes who hold faculty rank are often considered to hold administrative positions. For purposes of this budget submission, however, their salaries are included in the 3% pool for faculty performance-based increases. As faculty, these individuals are eligible for performance-based salary increases in accordance with unit policies.

Faculty Promotion Funds: Funds for faculty promotions shall be allocated over and above the 3.0% total available for faculty performance-based increases. Faculty promotional increases shall be applied after these increases. These funds shall be set-aside in a central reserve for distribution to unit budgets as needed.

PROFESSIONAL / ADMINISTRATIVE AND CLASSIFIED STAFF

Regular Full-time & Part-time Staff

For FY 2011-12, staff salaries shall be adjusted for an across-the-board pay increase. Each budgeted general fund staff salary line, not including vacant positions, is available for a salary increase based on the guidelines outlined below. Staff positions funded from other than general funds shall also adhere to the University-wide guidelines described below.

Staff salary increases shall be distributed as follow:

- 1) Regular Full-time & Part-time staff earning less than or equal to \$40,000 per year shall receive a \$1,200 increase to base pay (prorated by FTE).
- 2) Regular Full-time & Part-time staff earning more than \$40,000 per year shall receive a 3% across-the-board increase to base pay.
- 3) Regular part-time staff must be at least .40 FTE to qualify for a salary increase.
- 4) Employees must have been in active employment status on January 1, 2011 and maintained active employment status through July 1, 2011. Active employment status includes both

active pay status and periods of approved leave without pay (including FMLA, Temporary Medical Disability, and leave without pay for employees reduced in force, but subsequently re-hired within 12 months).

Note regarding Provisional Status: Annual salary increases apply to regular staff only; employees who remain in provisional status as of July 1, 2011 are not eligible for an annual increase.

- 5) An employee whose performance is considered unsatisfactory is not eligible for a general increase, except as required to comply with the established salary range minimum.

Note: Salary increases awarded to staff employees are contingent on an overall rating of satisfactory or above, regardless of the rating scale you use. Increase-eligible ratings would include O, E or S on the OESIF scale; 10 or more on the 30 point scale; 20 or more on the 35 point scale. Employees who are on a performance improvement plan as of July 1, 2011 are not eligible for a salary increase.

- 6) Except as otherwise indicated by these guidelines, salary increases shall be distributed based on sources of funds (speedtypes) as shown in the position management system (plan year) as of March 30, 2011.
- 7) Staff employees who received in-range salary adjustments, who were promoted, who transferred to the department, or whose positions were reclassified during the current fiscal year **remain eligible** for the salary increase. Departments do not exercise discretion to withhold annual salary increases for these reasons.

Employees with Specified Contracts

Staff whose salaries are specified by an employment contract (such as athletic coaches or contract services employees) are not eligible for a salary increase.

House Staff, Postdoctoral Fellows and Visiting Scholars

- House Staff (Pay Group H12) are construed as “contractual employees” and are not eligible for a salary increase.
- Postdoctoral Fellows and Visiting Scholars (Pay Group D12) do not have a formal employment relationship with the university and are not eligible for a salary increase. Funding for these appointments is educational or training in nature and may not be used to create an employee/employer relationship.

Leased Employees and Employees with Courtesy Contracts

- Certain University employees are leased to affiliated organizations. Salaries for leased employees are determined by their host institution. They are not eligible for across-the-board salary increases.

- Certain employees of affiliated organizations have courtesy contracts with the University that may include a nominal annual salary. An annual salary that does not support a minimum wage sufficiency test (regardless of FTE or other appointment status in the PeopleSoft system) is construed as a contract salary and the employee is not eligible for a salary increase.

Salary Grade Maximums: Employees who are currently at or near the maximum salary or wage rate for their pay grade shall only receive a base salary adjustment up to the maximum of the range. The portion of any annual salary increase above the maximum of the range shall be given as a one-time, lump sum pay adjustment during the July 2011 payroll.

Staff Reclassification Fund: Funds for staff reclassifications shall be allocated over and above the 3.0% amount available for Across-the-Board increases. These funds shall be set-aside in a central reserve fund for distribution to departmental budgets as needed, generally on a unit-matching basis.

BOARD-APPOINTED ADMINISTRATORS

For FY 2011-12, the budgeted salary increase for administrators is a 3.0% performance-based pool. Administrator positions funded from sources other than general funds must also adhere to these University-wide guidelines.

Performance-based Increases: Funds totaling 3.0% of budgeted general fund administrator salaries, not including vacant positions, shall be allocated for performance-based salary adjustments.

After making a written performance evaluation on each administrator, vice presidents and deans shall forward their salary recommendations to the Office of the Executive Vice President and Provost. Individual salary adjustments can range from 0% to 5%, but the combined recommendations by a vice president or dean may not exceed the 3.0% pool for their area. The Office of the President shall make the final salary determination for all board-appointed administrators. Approved salary increases shall be electronically uploaded by the Office of Budget and Financial Planning (BFP).

GRADUATE ASSISTANTS

Stipends for graduate assistant (GA) positions shall not be increased for FY 2011-12.

STUDENT WAGES AND TEMPORARY / CASUAL LABOR

Student wage and temporary/casual labor lump sum budgets shall not increase for FY 2011-12.

OVERTIME

University units that incur overtime expense shall allocate funds in their operating budget to cover such anticipated expenditures. Expenditures for overtime are authorized for only those units that have overtime budgets. Lump sum budgets for overtime wages shall not increase for FY 2011-12.

SHIFT DIFFERENTIAL

Lump sum budgets for shift differential shall not increase for FY 2011-12.

INCREASES FROM FUNDS OTHER THAN GENERAL FUNDS

Salary and wage increases for faculty and staff, either partially or entirely funded from non-general fund sources, shall be provided pro rata from the appropriate fund source in accordance with these salary policies for the FY 2011-12 Operating Budget.

The average percentage given for faculty salary increases for a particular unit, either partially or entirely funded from non-general funds, shall not be greater than the total 3.0% outlined in the above guidelines.

AUXILIARY ENTERPRISES, SERVICE CENTERS AND PROGRAM BUDGETS

Salary and wage increases either partially or entirely funded by revenue from Auxiliary Enterprises, University Housing, Service Center activities or other program budgets shall be provided pro rata from the appropriate fund source in accordance with these salary policies for the FY 2011-12 Operating Budget.

VACANT POSITIONS

All vacant positions are excluded from the salary pool calculations.

Vacant positions that do not have a clearly identified source of funding to support the annual salary shall be inactivated and not included in the University's budget.

FRINGE BENEFITS

(Group Insurance, Retirement, FICA, etc.)

The Office of Budget and Financial Planning shall determine fringe benefit allocations and shall make all fringe benefit calculations. These amounts are non-discretionary and shall be added to unit budgets automatically as one of the final steps in the FY 2011-12 budget development process.

INSTRUCTIONS FOR SUBMITTING SALARY INCREASES

1. The Office of Budget and Financial Planning shall distribute an EXCEL spreadsheet for units to use to submit salary increases for faculty. Once units have completed the faculty distribution, the spreadsheets should be submitted to the Office of Budget and Financial Planning no later than April 15, 2011. Staff increases shall be electronically uploaded based on the guidelines covered earlier in this document. That is, units are not required to do anything to effect staff increases.
2. Vice Presidents and other members of the President's staff should submit their recommendations for board-appointed administrator increases to the Office of the President **no later than Friday, April 15, 2011**. Deans should submit their recommendations for board-appointed administrator increases to the Executive Vice President and Provost **no later than Friday, April 15, 2011**. The Office of the President shall submit approved administrator salary increases to Budget and Financial Planning, and BFP shall electronically upload these adjustments to the system.
3. During this salary increase period, any change other than salary increases that alters the "bottom line" of general fund departmental budgets must be documented in writing. So that such budget changes can be properly recorded and processed in a timely and consistent manner, units are required to use the **Budget Change Order (BCO)** form. This electronic form is located on the BFP website under "Forms." The URL is <http://louisville.edu/finance/budget/budgetforms/onlinebcoenabled.xlsm>. The BCO contains formatted space for information needed to update respective Budget Pools in the Budget Planning section within the PeopleSoft General Ledger system. To inform all parties of requested changes, Budget Change Orders must be routed through normal administrative approval channels to Budget and Financial Planning. After approval, Budget and Financial Planning shall use the approved BCOs to update the Budget Pools in the Peoplesoft General Ledger system.

SCHEDULE I

**SUMMARY OF SALARY AND WAGE GUIDELINES
FY 2011-12**

Employee Category		Salary Increase Percentages				
		Across-the-Board	Performance Based	Range of Performance Based Increases	Unsatisfactory	Total
Full-time Faculty	(FAC)	-0-	3%	0-5%	-0-	3%
Permanent Part-time Faculty	(FAC)	-0-	3%	0-5%	-0-	3%
Instructional Lump Sums	(FAC)	3%	-0-	---	---	3%
Graduate Assistants	(GRD)	-0-	---	---	---	-0-
Administrators	(ADM)	-0-	3%	0-5%	-0-	3%
P&A and Classified Staff Up to \$40,000 (Prorated by FTE)		\$1200	-0-	-0-	-0-	3% a)
P&A and Classified Staff Over \$40,000		3%	-0-	-0-	-0-	3%
House Staff	(HSF)	-0-	-0-	---	---	-0-
Student Wages	(STD)	-0-	-0-	---	---	0%
Overtime Wages	(OT1)	-0-	-0-	---	---	0%
Temporary and Casual Labor	(TMP)	-0-	-0-	---	---	0%
Shift Differential	(SHF)	-0-	-0-	---	---	-0-

a) Equates to a 4% average salary increase for employees in this category.

SCHEDULE II

University of Louisville
Proposed Adjustments to Staff Salary Schedules for FY 2011 - 12

P&A Grade	FY 2010 - 11			FY 2011 - 12			Inc to Max
	Min	Mid	Max	Min	Mid	Max	
EB	\$ 23,660	\$ 28,489	\$ 34,017	\$ 23,660	\$ 29,439	\$ 35,217	\$ 1,200
EC	\$ 24,596	\$ 32,212	\$ 40,528	\$ 24,596	\$ 33,170	\$ 41,744	3.0%
ED	\$ 29,024	\$ 38,011	\$ 47,699	\$ 29,024	\$ 39,077	\$ 49,130	3.0%
EE	\$ 33,591	\$ 44,869	\$ 56,846	\$ 33,591	\$ 46,071	\$ 58,551	3.0%
EF	\$ 39,637	\$ 52,944	\$ 66,952	\$ 39,637	\$ 54,299	\$ 68,961	3.0%
EG	\$ 46,771	\$ 62,474	\$ 78,878	\$ 46,771	\$ 64,008	\$ 81,244	3.0%
EH	\$ 54,150	\$ 73,744	\$ 94,039	\$ 54,150	\$ 75,505	\$ 96,860	3.0%
EI	\$ 63,894	\$ 87,016	\$ 110,837	\$ 63,894	\$ 89,028	\$ 114,162	3.0%
EJ	\$ 75,395	\$ 102,679	\$ 130,662	\$ 75,395	\$ 104,988	\$ 134,582	3.0%

Classified Grade	FY 2010 - 11			FY 2011 - 12			Inc to Max
	Min	Mid	Max	Min	Mid	Max	
NA	\$ 8.67	\$ 11.12	\$ 13.93	\$ 8.67	\$ 11.61	\$ 14.55	\$ 1,200
NB	\$ 10.21	\$ 13.11	\$ 16.38	\$ 10.21	\$ 13.61	\$ 17.00	\$ 1,200
NC	\$ 11.83	\$ 15.49	\$ 19.51	\$ 11.83	\$ 15.98	\$ 20.13	\$ 1,200
ND	\$ 13.96	\$ 18.27	\$ 22.95	\$ 13.96	\$ 18.80	\$ 23.64	3.0%
NE	\$ 16.15	\$ 21.58	\$ 27.37	\$ 16.15	\$ 22.17	\$ 28.19	3.0%
NF	\$ 19.05	\$ 25.45	\$ 32.22	\$ 19.05	\$ 26.12	\$ 33.19	3.0%
NG	\$ 22.49	\$ 30.04	\$ 37.95	\$ 22.49	\$ 30.79	\$ 39.09	3.0%
NH	\$ 26.04	\$ 35.46	\$ 45.24	\$ 26.04	\$ 36.32	\$ 46.60	3.0%
NI	\$ 30.72	\$ 41.83	\$ 53.30	\$ 30.72	\$ 42.81	\$ 54.90	3.0%

- Notes: (1) Proposed adjustments to FY 2011-12 salary schedules are contingent on all budget assumptions and final approval of the FY 2011-12 budget by the University of Louisville Board of Trustees.
- (2) Salary range maximums for FY 2011-12 have been increased by the greater of \$1200 or 3.0% of the FY 2010-11 maximum (equivalent to salary increase eligibility for regular employees).
- (3) Minimum values remain the same, reflecting no material change in prevailing cost of labor.
- (4) Midpoint values have been recalculated. The midpoint is simply the average of the min & max.
- (5) Hourly salary schedules are calculated on 1,950 hours per year at a full-time equivalent.