

TO: Deans and Directors

FROM: Marc Chauche, Assistant Vice Chancellor - Financial Services

DATE: April 7, 2008

**SUBJECT: FY 2008-2009 SALARY GUIDELINES**

To assist you in the salary budget development for your college or administrative unit, we are providing the following key dates, instructions, and guidelines.

**Key Budget Development Dates**

|             |   |
|-------------|---|
| April 1     | • Eligibility date for July 1, 2008 raise                           |
| May 23      | • Approved raises back to Budget Office for all employees           |
| July 1      | • Effective date for salary increase for annual year appointments   |
| July 15     | • Last day to make journal entries in PSL                           |
| July 16     | • Salary Notification Letters distributed                           |
| September 1 | • Effective date for salary increase for academic year appointments |

**Instructions & Guidelines**

In consideration of anticipated Board of Regent action, the recommendation of the Faculty Compensation Advisory Committee, and internal budgeting policy, the FY 2008-2009 salary and wage pools have been created as shown below. These are subject to the general guidelines and the specific guidelines that follow. Parenthetical numbers refer to specific guidelines that follow.

|   |              |
|---|--------------|
| <b>Faculty &amp; Administrators<sup>1</sup> (1-4)</b> |              |
| • Departmental Pool                                   | 3.13%        |
| • Dean Pool   | .67%         |
| • Vice Chancellor Pool                                | .33%         |
| • Faculty Promotion/Tenure                            | <u>.27%</u>  |
| Total Faculty & Admin Pool                            | <u>4.40%</u> |
| <b>Faculty Group Lines<sup>1</sup> (5)</b>            | <u>4.40%</u> |
| <b>Graduate Pools (6)</b>                             |              |
| • Departmental Pool                                   | 3.40%        |
| • Dean Pool   | <u>1.00%</u> |
| Total Graduate Pool                                   | <u>4.40%</u> |

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<sup>1</sup> Includes salaries funded from Programs of Excellence Funds

**Undergraduate Pools (6)** 4.40%

**Staff Pool**

(Managerial/Professional & Office/Service) (7)

|                        |              |
|------------------------|--------------|
| • Departmental Pool    | 3.33%        |
| • Dean Pool            | .67%         |
| • Vice Chancellor Pool | <u>.40%</u>  |
| Total M/P & O/S Pool   | <u>4.40%</u> |

## ***General Guidelines***

- A. Faculty and staff permanently budgeted and in pay status as of April 1 are eligible for a salary increase.
- B. Faculty and staff hired on a contract have salary adjustments that are governed by terms of their individual contracts, not by these salary guidelines.
- C. Salary increase dollars for Faculty and Administrators must be segregated into Faculty and Administrator pools. Note that Managerial/Professional & Office/Service pools are combined into a single staff pool.
- D. The University has directed that all increases be based on merit, equity, or market considerations. No part of the increase will be an across-the-board distribution.
- E. For faculty or staff to receive no increase, documentation must be provided to the respective Vice Chancellor indicating the basis for that recommendation.
- F. For faculty or staff to receive an increase greater than 10%, documentation must be provided to the respective Vice Chancellor indicating the basis for that recommendation.
- G. For positions funded from sources other than State tax funds, salary increases must follow Specific Guideline #4, "Cost Objects Other Than State Funded." (See below.) Note that while PoE is a separate funding source, it will have the same pools as State tax funded sources.
- H. Employee benefits and operating expense budgets cannot be used for salary increases.
- I. Salary increase dollars provided to each unit will be based on faculty/staff that are permanently budgeted and in pay status as of April 1, 2008. These amounts will not be adjusted for positions that are vacated, filled, or reclassified after April 1.
- J. Salary recommendations require the review of, and approval from, the appropriate campus leader (one level above the immediate supervisor level) before faculty or staff are notified of increases.
- K. For faculty and staff who have more than one funding source (cost object) for the same position, the total salary adjustment for the individual should be borne by each cost object in proportion to the respective base salary. In the case where a consensus on a multiple-funded faculty or staff salary adjustment cannot be reached by the responsible Dean or Director, the Vice Chancellor will make the salary adjustment recommendation. This salary recommendation shall be binding on all multiple funding sources. This does not apply to faculty and staff who have more than one position.

## **Specific Guidelines**

All faculty and staff are to be treated equitably, based on merit (not on funding source). Departments will be asked to make recommendations to their Deans for adjustments from the college's and Vice Chancellor's salary pools, as discussed below.

### **Guideline #1 - Faculty/Administrator Raises**

#### **(A) Departmental Pool**

3.13% of each permanently budgeted, filled faculty salary line will be allocated to the department to be distributed to its faculty. This includes any non-tenure-track faculty who are permanently budgeted on an individual line (as opposed to on a group line). Non-tenure-track faculty who are not permanently budgeted on an individual line are discussed in Specific Guideline #5, "Faculty Group Lines." (See below.)

- Departments and/or Colleges are free to choose the method for their allocations so long as they are based on merit.
- Regardless of whether it is the department head/chair or a committee that decides, it is the responsibility of the department head/chair to communicate the department's recommendations to the Dean.

#### **(B) Dean Pool**

0.67% of permanently budgeted filled faculty salary lines will be allocated to each college to be distributed at the college level to its faculty.

- Deans are encouraged to use these funds to recognize the most meritorious faculty in the college, regardless of department.
- The Faculty Compensation Advisory Committee, with full support of Chancellor Perlman, requests that each college respond to Institutional Research and Planning's comparative review of salary ranges based upon status such as gender, ethnicity, race, age, etc. Appropriate adjustments should be made to eliminate inequities and to assure compliance with the college's established compensation criteria. The Dean-level adjustments will be used to reinforce (not substitute for) allocations made by departments.

#### **(C) Vice Chancellor Pool**

0.33% of permanently budgeted filled faculty salary lines will be allocated to the appropriate Vice Chancellor to distribute to faculty as follows:

- The Vice Chancellors may use their funds to address college salary disparities compared to peers.
- Vice Chancellor-level adjustments will be used to reinforce (not substitute for) allocations made by departments or Colleges.

Deans and Directors will be asked for their recommendations concerning adjustments from the salary pool held at the Vice Chancellor level.

(D) Faculty Promotion/Tenure

- .27% of permanently budgeted filled faculty salary lines will be allocated to fund Faculty Promotion/Tenure increases.

**Guideline #2 - Faculty Promotions**

For faculty being promoted, the Budget Office will change the professional title and add the promotion adjustments on these faculty lines after the Department Head/Chair, College Dean, and Vice Chancellor salary decisions have been finalized.

- Persons on academic year contracts who are promoted from Assistant Professor to Associate Professor will receive an increase of 7.0% of their base salary or \$4,000, whichever is greater. If on fiscal year contracts, the increase will be the greater of 7.0% of base salary or \$5,333.
- Individuals on academic year contracts who are promoted from Associate Professor to Full Professor will receive an increase of 9.0% of their base salary or \$6,000, whichever is greater. If on fiscal year contracts, the increase will be the greater of 9.0% of base salary or \$8,000.
- Increases for promotions for Professors of Practice will be the same as above.
- Promotion increases should not be considered in assessing salary increases from the 4.40% pool.

**Guideline #3 - Salaries of Academic and Other Administrators**

Salaries for Deans and Directors have been excluded from the salary increase dollar calculations for the Colleges and units. The Budget Office will enter salary increases on these lines as final decisions are reached by UNL upper administration.

**Guideline #4 - Cost Objects Other Than State Tax Funded**

Salary guidelines are the same for operations of UNL that rely upon funding sources other than the State tax funded budget. However, the total budget for any given grant-supported or self-supporting operation must not exceed the projected resources available. For revolving funded centers, operating expense budget lines should be adjusted to the anticipated level of expenditures for FY 2008-2009, but not to exceed the funding resources available for the fiscal year.

**Guideline #5 - Faculty Group Lines**

An increase will be provided on State funded faculty group lines to compensate non-tenure-track faculty who are not permanently budgeted and who are continuing next year. This includes, for example, instructors, lecturers, senior lecturers, research professors, and others, to the extent that they are State-funded. Salary increases for non-tenure-track faculty paid from faculty group lines from non-State sources must follow Specific Guideline #4, "Cost Objects Other Than State Tax Funded." (See above.)

Raises for non-tenure-track faculty paid from faculty group lines will be recorded via a PAF.

## **Guideline #6 - Graduate Students and Undergraduate Students**

Graduate students and undergraduate students will receive raises based upon merit, not to exceed the maximum available in their respective salary group lines.

## **Guideline #7 - Managerial/Professional & Office/Service Staff**

Note: For Dean/Director/Associate Vice Chancellor areas where subunits are distinct, the Dean/Director/AVC may combine the Department Pool and Dean/Director/Assistant Vice Chancellor Pool into one 4.00% pool.

### **(A) Departmental Pool**

3.33% of each permanently budgeted filled Managerial/Professional & Office/Service (M/P & O/S) salary line will be allocated to the department to be distributed to its staff.

- Departments and/or Colleges are free to choose the method for their allocations so long as they are based on merit, equity and/or market considerations. Human Resources can assist with market-relevant pay data.
- It is the responsibility of the Department Head/Chair to communicate the Head/Chair's recommendations to the Dean/Director.

### **(B) Dean/Director/Assistant Vice Chancellor Pool**

0.67% of permanently budgeted filled M/P & O/S salary lines will be allocated to each College and major unit to be distributed to its staff.

- Deans/Directors/Assistant Vice Chancellors are encouraged to use these funds to recognize the most meritorious staff and to address market pay concerns in the College or major unit, regardless of department.
- Appropriate adjustments should be made to eliminate inequities and to assure compliance with the College or major unit's established compensation criteria.

### **(C) Vice Chancellor Pool**

0.40% of permanently budgeted filled staff salary lines will be allocated to the appropriate Vice Chancellors to distribute to staff in order to reinforce (not substitute for) allocations made by departments or Colleges that address merit, equity and/or market considerations.

Deans/Directors/Assistant Vice Chancellors will be asked for their recommendations concerning adjustments from the salary pool held at the Vice Chancellor level.

(D) Increases to staff who are hired prior to April 1st and on an initial probation or any employee on corrective-action probation may be held until their probation comes to an end.

## Questions?

If you have any questions about any of the foregoing salary budget information, please contact one of the following individuals:

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Thank you for your assistance in developing the new fiscal year salary budget.