

TO: University of Idaho Deans and Unit Managers

FROM: Brian Foisy, Vice President for Finance
John Wiencek, Provost and Executive Vice President

DATE: April 4, 2016

SUBJECT: FY2017 Salary Process

With the 2016 legislative session at an end, we are preparing to finalize the budget for FY2017. As you may know, Gov. C.L. "Butch" Otter recommended a 3 percent Change in Employee Compensation (CEC) for state employees in his executive budget. With the passage of House Bill 637, the state legislature has officially funded that recommendation.

The salary guidelines outlined below will direct compensation administration for UI employees for the coming fiscal year (FY2017). State appropriations will cover approximately 60 percent of the cost of General Education increases and legislation provides authorization to fund the balance of the increase from student tuition. Accordingly, we have proposed a 4 1/2 percent tuition/fee increase for the coming academic year. This plan will be presented to the State Board of Education on April 13, 2016.

As in recent years, the CEC will be based on employee merit, with flexibility in distribution. Practically speaking, this means the institution will have access to a CEC pool equivalent to 3 percent of General Education salaries. This is an average figure and does not mean every meritorious employee will receive a 3 percent raise.

Actions and Timeline:

- Distribute guidelines for university base salary increase process: April 4
- Initial salary recommendations provided to units: April 13
- Additional increase recommendations from units due to Budget Office: April 22
- Salary changes effective: June 19
- Salary increases reflected in pay checks: July 15

The initial phase of this process will be managed centrally (permanently budgeted positions only), and reports will be available for review prior to submission of additional recommendations. Salary agreements/letters for continuing employees will be issued at the conclusion of the process and will reflect annualized salaries.

Please contact Trina Mahoney in the Budget Office at 208-885-4387 or tmahoney@uidaho.edu if you have questions about this process.

FY2017 Salary Guidelines

The University of Idaho issues the following guidelines for the preparation of FY17 salary recommendations for all categories of regular (benefits-eligible) employees, permanent and contingent.

General Guidelines: Permanent and contingent regular employees, regardless of salary funding source, are to be considered in this process. Increases for permanently budgeted positions will be implemented by the Budget Office using the web-based salary model program based on the parameters described below.

Eligibility: Merit-based increases are available for employees with an initial hire date on or before January 6, 2016, who have a current performance evaluation of at least "Satisfactory/Meets Expectations" as required by State of Idaho Division of Financial Management guidance. Employees must also have completed the Inclusive Workplace training as required. Temporary help (TH) and employees on performance-related probation are not eligible for a merit increase.

Note: Regular contingent (.01 suffix) employees are eligible for this CEC increase and should be given the same consideration as permanent (.00 suffix) employees. Salary agreements and an Electronic Personnel Action Form (EPAF) must be completed by the relevant department for these .01 suffix employees as part of the annual reappointment process. Spreadsheets will be provided indicating increase amounts for these employees based on the salary increase range parameters below.

RA/TA: The state FY17 CEC appropriation does not include funding for RA/TA positions.

Salary Increase Range: While the overall average salary increase for university employees is 3 percent, most individual eligible employees will receive a total salary adjustment of no less than 2 percent. Some employees may receive a total salary adjustment greater than 2 percent. Salary increase specifics follow:

- Eligible faculty, classified and exempt employees will receive a 2 percent increase.
- FY17 increments for faculty promotions in rank will be applied after the 2 percent increase.
- To address inversion based on adjusted years of service, the following increases, not to exceed \$4 per hour, will be applied:
 - Eligible classified and exempt staff with five or more years of adjusted service (total time in UI benefits-eligible appointed positions) as of June 25, 2016, will be raised to the first quartile in their pay grade if not already at the first quartile after the 2 percent increase.
 - Eligible classified and exempt staff with 12 or more years of adjusted service (total time in UI benefits-eligible appointed positions) as of June 25, 2016, will be raised to the midpoint in their pay grade if not already at the midpoint after the 2 percent increase.
- Subject to available resources in the sponsoring unit, supervisors may recommend additional increases to address unusual, extraordinary or compelling salary issues (gender equity, salary compression/inversion, retention challenges, unit reorganizations, etc.). Recommendations should include a brief justification, and are subject to Human Resources review, approval by the appropriate vice president, the provost/executive vice president or the president (for areas reporting directly to the president) and final approval by the executive vice president and the president.

Funding Sources: A pool of funds will be managed centrally based on the FY16 permanently budgeted State Appropriated (General Education, Ag Research and Extension, FUR, IGS, WWAMI and WI) and Centrally Allocated salaries. This pool of funding will not include funding for salaries permanently budgeted on revenue-generating General Education budgets.

Vacant Positions: Eligible vacant positions will receive a 2 percent increase to enhance recruitment. These new funds, along with existing base funds in vacant positions, may be reallocated (with appropriate approval as outlined above) to filled positions to address any unusual, extraordinary or compelling salary issues as outlined in the Salary Increase Range section above.

Classified Staff on Hiring Probation: Classified staff hired on or before January 6, 2016, who have not yet completed the introductory probationary period but are making satisfactory progress may be recommended for increases during the salary recommendation process. However, increases are deferred until the six-month probationary period is satisfactorily completed. Once the employee successfully passes probation, the department must complete an EPAF to implement the pay increase. [See University of Idaho Faculty Staff Handbook Chapter 3: Section 3440 D-2](#). Employees on performance-related probation are not eligible for a merit increase.

Process: The Budget Office will process increases for permanently budgeted positions based on the above guidelines through the web-based salary model (see above for .01 suffix employees). Initial recommendations will be provided to deans and unit leaders for review prior to submission of additional recommendations. Proposed additional increases will be reviewed by Human Resources and approved by the appropriate vice president, the provost/executive vice president or the president (for areas reporting directly to the president), and all recommendations will receive final approval by the executive vice president and the president. This executive review and approval process will occur concurrent with reviews by units, the Budget Office and Human Resources prior to implementation.

Due Dates: The Budget Office will provide spreadsheets indicating initial salary changes (above increase parameters excluding unit funded additional increases) by April 13. This information should be reviewed by the appropriate administrator (dean/unit leader) and returned to the Budget Office along with a cover letter and any unit funded additional increases by April 22. All additional increase recommendations should include a brief justification. *Please also send this information to the appropriate vice president, the executive vice president/provost or the president.* The Budget Office will provide copies of all submittals to Human Resources.

The cover letter from the dean or unit administrator should indicate that the spreadsheet has been reviewed for accuracy and does not include increases for ineligible employees (those who have not completed the Inclusive Workplace training and/or did not receive at least "Satisfactory/Meets Expectations" on their current performance evaluation). The letter should also include any changes to split-funded positions as well as a list of any probationary employees who will not have completed their probationary period at the start of the new fiscal year. Finally, the letter should include brief justifications and funding source(s) for any unit-funded additional increases.