GUIDELINES FOR ADMINISTRATION OF SPECIAL SALARY EQUITY FUNDING*

FY 2006-07

As part of the salary program for policy-covered staff employees in Fiscal Year 2006-07, departments will be able to address priority salary equity needs, including significant lags to the external market or to internal comparators.

The Office of Academic Planning and Budget will be allocating State funding of 0.5%, effective October 1, 2006, to support this program based upon the number of eligible employees in policy-covered positions. It is expected that departments with non-State funded operations will provide equivalent funding for the same purposes.

I. CRITERIA

Consistent with Personnel Policy for Staff Members (PPSM 30.F on Equity Increases), the following criteria should be utilized in determining the justification for salary equity actions.

A. External Market Lags and Market Comparisons
   • Recruitment and Retention Difficulties:
     Persistent historical difficulties in recruiting and retaining staff in particular classifications, job functions, or within a job series, as well as high turnover, may (but do not always) indicate a lack of market alignment for salaries in those classifications or functions.

   • External Market Comparisons:
     Significant salary lags in relation to the external market include demonstrated lags of at least 10-15% below the market average. Progress in moving to market rates for serious market lags is normally made on an incremental basis, i.e. over a period of years, depending on the magnitude of the lag and the availability of funding.

B. Internal Salary Equity
   • Salary Compaction and Internal Alignment:
     Demonstrated salary compaction, particularly in cases where, due to the lack of State funding for staff salary increases in recent years, long-term University employees have fallen behind more recent hires in the same classification or comparable positions, may be used as a basis for identifying salary equity needs.

   • Review of Internal Equity:
     Factors to be considered in determining the need for individual salary equity actions include: the incumbent’s years of experience within the University, years of experience in the current position, salary history (including history of merit increases and other salary actions), actual duties assigned, as well as education and specialized knowledge, in comparison to similarly-situated employees in comparable positions. Performance and other relevant factors may be taken into consideration.

* These guidelines apply to policy-covered staff. The distribution of equity/market parity increases to exclusively represented employees is subject to the terms to be bargained or already reflected in applicable collective bargaining agreements. Please contact Employee and Labor Relations in Campus Human Resources or Healthcare Human Resources for additional information.
II. RESOURCES

Consultation services and analytical support are available to Departments through Campus Human Resources (CHR) Compensation Services or Healthcare Human Resources upon request.

The following are examples of data that may be utilized in support of salary equity actions:

1. Market data from published salary surveys, including market leads and lags for job classifications and series.
2. Range penetration data for classifications where market lags and range penetration are both significant factors.
3. Internal comparison data for identification of internal salary alignment problems, including compaction.
4. Data to demonstrate recruitment and retention problems.
5. High turnover data in particular job classifications or functions.

In proposing salary equity actions, HR control points are asked to submit a Salary Equity Tracking form (excel spreadsheet) for their organization (by Department) to CHR Compensation Services or Healthcare Human Resources, as appropriate. This mechanism will provide for accurate tracking of salary actions, by personnel program (MSP, PSS) and by fund source (e.g., State funds, Hospital funds, Contracts & Grants, etc). The information will be used to report summary results on fund distribution and expenditures to UCOP. A more detailed set of instructions and a revised SET form will be distributed for your use in October.

III. POLICY AND PROCESS

The Organization Head (cognizant Dean or Vice Chancellor) is responsible for determining how allocated funds will be distributed and for approving documentation to be forwarded to CHR Compensation Services or Healthcare Human Resources through the Salary Equity Tracking form. Following review of documents submitted, the HR control points for each organization will be responsible for ensuring that the changes are entered into EDB with an effective date of October 1, 2006.

In accordance with existing policy and practice, base salary increases, such as equity increases, may not exceed 15 percent in a twelve-month period. University policy also limits the total annual increase (including merit, equity, promotional increases, and increase upon reclassification) that an individual staff member may receive in a single fiscal year to 25 percent of base salary.

Consistent with existing campus practice, Departments may augment funds allocated to address equity needs if additional budgetary resources are available locally, subject to approval of the organization head. Equity actions outside of the October 1, 2006 salary equity plan described above will be reported and tracked separately.