

NC STATE UNIVERSITY

HIRING and SALARY INCREASE Guidelines **UPDATED Sept 14, 2011**

Based on UNC-General Administration's August 24, 2011, memorandum, "[Protocols for Faculty and Staff Salary Adjustments 2011-2012](#)", please follow these updated campus guidelines for salary adjustments for faculty, EPA Non-Faculty, and SPA (Staff) salaries.

DEFINITIONS

UNC-GA's office of legal affairs has also provided a few key definitions that inform its protocols and these campus guidelines.

Who is an "Employee"?

For these purposes, "*employee*" is defined as any permanent (benefits-eligible) full-time or permanent part-time employee.

In other words, individuals with a recurring appointment of at least 9 months, a total FTE of .50 or more, and eligibility to participate in the State Health Plan, are covered.

So, for example, temps, student workers, post docs, and lecturers teaching one or two courses (less than .50 FTE) do not fall under these protocols.

What counts as "Salary?"

For this purpose, "salary" includes whatever amount is expressed as an employee's base "annual salary."

It also includes the amounts that are paid to the employee on a *regular basis each payroll period* and that could reasonably be characterized as "regular wages" or as an adjustment to annual base salary.

The term "salary" for this purpose does not include elements like *overtime* or *fringe benefits*. Nor does it include one-time or similar payments for a '*task-based*' assignment of very brief duration (even such as summer pay for summer duties).

However, it does include recurring payments of additional compensation beyond the base salary, such as *administrative supplements* for duties lasting more than 6 months. It also includes *interim or temporary supplements* lasting longer than 90 days (extendable for an additional 90 days by the Chancellor or designee before requiring approval by the UNC Board of Governors (BOG) or its designee if 10% or more).

It does include salary increases resulting from an employee taking a *higher-level job* for more money – in the same or another department on campus – via a competitive search (or search waiver).

And it even includes salary changes that are commensurate with an *FTE change*, such as going from \$30,000 at .50 FTE to \$45,000 at .75 FTE, as well as changes in *appointment basis* from 9-month basis to a 12-month basis – since both of those increase the person’s total salary.

Who can approve a salary increase? The State Appropriations Act for FY 2011-12 did not authorize or fund general salary increases for state employees, and it generally prohibits salary increases to state employees. Any increase must be for an “exceptional” reason.

- **Below 10%.** For the universities, any and all salary increases that are granted on an exception basis (even increases below 10%) require the preapproval of the Chancellor (or Chancellor’s designee) during FY 11-12. Chancellor Woodson has designated the Provost, the Vice Chancellor for Finance and Business, and the Associate Vice Chancellor for Human Resources with various levels of such delegation.
- **10% or higher.** Any salary adjustment that would result in a salary that is 10% or higher than the employee’s prior June 30 salary must be **preapproved** by both the Chancellor (or designee) and the UNC Board of Governors (**BOG**) or its designee* during FY 11-12.
 - * If the proposed salary increase is 10% or greater and falls into one of the following categories, the BOG has delegated its authority to the **UNC President**. These may be submitted by the campus -- and will be reviewed by the President -- on bi-weekly basis:
 - Increases of more than 10% but less than \$10,000;
 - Increases resulting from a 9-month to 12-month conversion (or similar conversion in which the hourly pay rate itself does not change);
 - Increases for or any SPA employee;
 - Increases for a competitive hire of a current state employee into a new position in compliance with EEO/AA policy; or
 - Increases for promotion to higher faculty rank consistent with campus policy.
- **15% and \$10,000 or higher.** Salary adjustments for EPA employees that would have gone to the campus Board of Trustees (**BOT**) under pre-existing policies must still follow that same path through Chancellor to the BOT and then to the BOG – such as increases that result in a salary which is at least 15% *and* \$10,000 above the prior June 30 salary (other than for job changes pursuant to a competitive search or commensurate FTE changes, for example).
- **SPA exceptions.** Exceptions that would have required approval of the Office of State Personnel (**OSP**) under pre-existing policies (such as paying an SPA employee above a pay range maximum), must still follow that same path.

REPORTING REQUIREMENTS

As of July 1, UNC-General Administration has stopped requiring monthly “critical filled position” reports.

However, each UNC campus must continue to submit quarterly reports of all salary adjustments for EPA and SPA employees, including those funded from non-state-appropriated sources, to the “. . . President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the Fiscal Research Division” of the State of NC, through UNC-General Administration. These actions continue to be scrutinized closely at every level.

NOT SUBJECT TO THESE APPROVAL REQUIREMENTS

1) STUDENTS & POST DOCS

Student workers, vet med interns and residents, and post-doctoral scholars are not subject to the same restrictions as EPA and SPA employee positions, but any salary adjustments to student or post doc pay must be in compliance with any restrictions or guidelines of the authorized funding source.

2) TEMPS

- a. **Within a Temp Assignment.** An employee in a temporary assignment is subject to the same general salary increase prohibitions as a permanent employee → No increases during the same assignment with the same duties.

However, if there is a valid change in duties warranting a salary adjustment, no BOG preapproval is required. Consult with HR before making a salary increase on an existing temp.

- b. **Temp to Perm.** An employee in a temporary assignment selected as the successful candidate in an open search for a “permanent” (benefits-eligible position of .50 FTE or more) position at a higher rate of pay is not considered a salary increase as restricted by these guidelines. No Chancellor (or designee) or BOG preapproval is required.
- c. **One Temp Assignment to Another.** An employee ending one temporary assignment and accepting a different temp assignment with significantly different duties and anticipated range of pay (such as serial UTS assignments) is not considered a salary increase as restricted by these guidelines. No Chancellor (or designee) or BOG preapproval required.

3) PART-TIME EMPLOYEES (.49 FTE OR BELOW)

Any person with a total FTE of .49 or below is not subject to these guidelines.

Part-time faculty whose appointments are for less than .50 FTE (or for one semester only) are not considered “permanent” employees for this purpose (they are non-benefit-eligible) and are not covered by the 10% salary restriction. So a change in FTE -- even *from* less than .50 *to* .50 or more, with a change of duties and non-commensurate salary change -- does not require Chancellor (or designee) or BOG preapproval.

In general, part-time teaching faculty effort should reflect this taxonomy in the HR System for each 3-hour course or equivalent effort:

1 Course	=	25% FTE
2 Courses	=	49% FTE
3 Courses	=	74% FTE
4 Courses	=	100% FTE

4) NEW HIRES

Individuals commencing initial employment at NC State – even other State employees transferring directly from another state agency or university – are not subject to the 10% rule and do not require Chancellor (or designee) or BOG preapproval.

5) OVERTIME / SHIFT DIFFERENTIAL / ON-CALL PAY

Such variable pay, which likely varies by pay period, is generally not considered a “salary increase” and is not subject to Chancellor (or designee) or BOG preapproval.

GENERAL PROHIBITIONS ON SALARY INCREASES

The Appropriations Act did not fund general salary increases for state employees during FY 2011-12.

1. SPA TRANSFERS

Staff who transfer from one SPA position to another at the same or lower level are not eligible for an increase in pay. This applies to both current NCSU employees as well as employees who transfer from other state agencies.

2. SPA REHIRES

Former SPA staff -- with a separation date effective July 1, 2010 or later -- who are rehired into a position at the same or lower level than their previous position are not eligible for an increase in pay. This applies to both former NCSU employees as well as employees who were employed at another state agency.

Re-employment of individuals for whom separation from their last state job occurred June 30, 2010 or earlier are considered “new hires” and are not subject to the salary restrictions.

3. CONTRACT (NTT) FACULTY

Faculty on fixed-term contracts for whom a subsequent appointment is issued to perform the same duties at the same FTE as the previous appointment should receive no salary increase. If duties remain the same/comparable, but FTE changes, any annualized salary change must remain commensurate (*e.g.*, \$30,000 @ .49 FTE → \$45,000 @ .74 FTE.)

Colleges and academic departments should continue to be judicious in the issuance of multi-year faculty contracts, given ongoing financial challenges.

USE OF NON-STATE FUNDS

The State Appropriations bill does allow the constituent institutions of the University of North Carolina some flexibility to make salary adjustments for reasons other than those allowed under state funds -- if such adjustment is funded entirely from non-appropriated funding sources. NC State will continue its general practice of administering salary adjustment practices consistently for both EPA and SPA positions, without regard to a specific position's source of funds. Any request for exception must be submitted through HR to the Provost or VC for Finance and Business in advance, for consideration.

REFERENCE CHART

The attached reference chart displays the adjustments are allowable (*cumulative, from the previous **June 30** salary*) with Chancellor (or designee) preapproval if below 10% and with additional BOG (or designee) approval if 10% or greater. Such increases **CANNOT** be retroactive to a date earlier than the date of approval by the highest required authority.

PROCESSING ACTION REQUESTS

Departments should continue to submit their requests to their HR representative who will then facilitate the process of submitting the actions for appropriate levels of approval.

Type of Salary Increase	No additional approvals required	Chancellor (or designee)	BOG (or designee) <i>(IF 10% or greater)</i>
Faculty promotions through the campus <i>promotion and tenure</i> process		x	x
Faculty adjustments through the UNC President's <i>Faculty Recruitment and Retention Fund, the Distinguished Professors Endowment Fund, or the University Cancer Research Fund</i> (as limited by each program's eligibility parameters and/or funding availability.)		x	x
Increase in FTE , with commensurate Salary Change <i>(Correction made Sept. 22, 2011)</i>		x	x
Increase in FTE , with greater than a commensurate Salary Change --Considered a salary increase.		x	x
Promotional Increases -- current SPA, EPA Non-Faculty, or Faculty employees promoted to a higher-level position via vacancy posting and competitive search.		x	x
SPA Staff Reclassifications and Salary Adjustments --Due to job change, career progression, or the substantive addition of new duties, responsibilities, or competencies. Any such adjustment requires advance review and endorsement by HR's Office of Classification and Compensation.		x	x
EPA Non-Faculty Title Change and Salary Adjustments --Salary adjustments for EPA non-faculty professionals who have assumed substantive new responsibilities may be granted. Any such adjustment requires advance review and endorsement by HR's Office of EPA Personnel.		x	x
SPA staff promotions of current employees coming directly from another state agency/UNC institution	x		
SPA reinstatements (from a separation with an effective date of July 1, 2010 or later) for a previous employee of <u>another</u> state agency if considered a <u>promotion</u> from previous position at <i>another state agency</i> .	x		
SPA reinstatements (from a separation with an effective date of July 1, 2010 or later) for a previous NCSU employee if considered <u>promotion</u> from previous position at <i>NCSU</i> .		x	x
Interim/Acting Appointments of 90 days or Less -- Salary supplements for assuming a higher-level role on an interim or acting basis are limited to 90 days (*with one 90-day extension, requiring Chancellor or designee approval).		x	
Interim/Acting Appointments of More than 90* Days		x	x
Additional Pay for "Extra Work" Commitments Lasting 6 months or Less -- Additional pay for "extra work" (<i>defined by UNC-GA to include, for example, summer teaching or a limited-term additional administrative assignment such as departmental graduate coordinator</i>) is limited to 6 months (with no provision for extension).		x	
Additional Pay for "Extra Work" Commitments Lasting more than 6 months -- If the additional work responsibility will last longer than 6 months, Chancellor (or designee) and BOG preapproval is required. This includes, for example, salary supplements for serving as academic Department Head that result in effective annualized salary increase of 10% or more (<i>for example, a 1-month summer salary supplement beyond base 9-month salary equates to an 11% salary supplement and requires preapproval</i>).		x	x
EPA Conversion from AY (9-mo) to FY (12-mo) Basis -- A conversion from a 9-month to a 12-month appointment is considered to result in an annual salary increase in excess of 10%.		x	x