

BUDGET ADMINISTRATION OF STAFF SALARIES

I. REFERENCES

University of California Planning and Budget Manual

Chapter 4010 Operating Budget Amendments

Chapter 4020 Budgetary Savings

Chapter 4030 Salary Range Adjustments

Chapter 4040 Staff Personnel Reclassifications

Chapter 4050 Staff Merit Program and Pay Increase/Management Program Salary
Increases

Chapter 4080 Employee Benefits

II. RELATED POLICIES

A. UCSD Policy and Procedure Manual (PPM)

380-1 Modifications of the Operating Budget

380-2 Budgetary Savings

395-10 Employee Benefit Expenditures

B. UCSD Policy and Procedure Manual/Staff Personnel Manual (PPM/SPM)

250 Personnel Staff

030 Management & Professional Program (MAP) Policy - Salary

130 Administrative & Professional Program (A&PS) Policy - Salary

III. BACKGROUND

A. Personnel Status Definitions

1. Career Employee see Staff Personnel Policy
PPM/SPM 250-110.4
MAP Personnel Policies
A&PS Personnel Policy, 111, Definitions

2. Casual Employee see Staff Personnel Policy
PPM/SPM 250-110.5
MAP Personnel Policies
A&PS Personnel Policy, 111, Definitions
3. Trainee see Staff Personnel Policy
PPM/SPM 250-305.26(e) and PPM/SPM 250-305.32

B. Salary Action Definitions

1. Range Adjustment see Staff Personnel Policy, PPM/SPM 250-305.3
2. Six-Month Increase see Staff Personnel Policy, PPM/SPM 250-305.6
3. Merit Increase see Staff Personnel Policy
PPM/SPM 250-305.7; 250-305.8
MAP Personnel Policies, 30 C, Salary
A&PS Personnel Policy, 130.4, Salary
4. Exceptional Increase see Staff Personnel Policy
PPM/SPM 250-305.10
MAP Personnel Policies, 30 E, Salary
A&PS Personnel Policy, 130.12, Salary
5. Special Award see Staff Personnel Policy
PPM/SPM 250-305.26
MAP Personnel Policies, 31, Incentive Awards
6. Promotion or Upward Reclassification see Staff Personnel Policy
PPM/SPM 250-305.20
MAP Personnel Policies, 30 D, Salary
A&PS Personnel Policy
111, Definitions
130.9, Salary Adjustment upon Promotion or Upward Reclassification
7. Demotion or Downward Reclassification see Staff Personnel Policy
PPM/SPM 250-305.21
MAP Personnel Policies, 30 F, Salary
A&PS Personnel Policy
111, Definitions
130.10, Salary Adjustment Upon Demotion or Downward Reclassification
8. Appointment Rates see Staff Personnel Policy
PPM/SPM 250-305.28
MAP Personnel Policies, 30 B, Salary
A&PS Personnel Policy, 111, Definitions, 121.17, Selection

C. Budget Definitions

1. An FTE (full-time equivalent) represents full-time (40 hours per week) on pay status for the full fiscal year. Less than a full FTE is expressed as a factor of the above, (i.e., an employee working half-time for six months and full-time for the remaining six months of a fiscal year equates to 0.75 FTE. An employee working 30 hours per week all year also equates to 0.75 FTE.) Where FTE are funded from a combination of funds, this section deals only with the fractional FTE supported by those funds covered under the provisions of PPM 380-3.
2. Turnover savings is the term applied to savings resulting when a replacement is hired at a lower step in the range than the previous incumbent.
3. Downgrade savings is the term applied to savings resulting when a position is reduced to a lower classification or salary grade accompanied by a salary reduction.
4. A reclassification is an upgrading (or downgrading) of a provision from one title code or salary grade to another in a related title series to reflect expanded (or diminished) duties and responsibilities.
5. A promotion (or demotion) is the movement of an employee from one established classification or salary grade to another at a higher (or lower) level.
6. Current year costs refer to the funding required to support the salary and benefits for an employee through June 30 of the current fiscal year. Full year cost (permanent cost) is the funding required to support the position for a complete fiscal year, i.e., July 1 through June 30 of the ensuing years.

IV. POLICY

All departments, in conjunction with the Personnel Department and Resource Management, must adhere to the policies and procedures described herein in order to facilitate the process of implementing recommended and approved salary actions, and to protect the source of funding which makes a significant portion of the University's salary administration policy viable.

No part of this PPM Section shall be contradictory to established Personnel Department policy and procedure in the administration of salaries. Resource Management reviews personnel action forms to identify budgetary effects only after final approval of the department(s) involved and the Personnel Department. The sole purpose of this Policy and Procedure Manual section is to describe how budgeted General Funds (19900) are to be applied to support the cost of salary actions approved by the Personnel Department for employees wholly or partially supported by this fund, and to clarify some of the background and rationale related to the rules.

For positions funded by General Funds, the State provides full current year and continuation costs of July 1 range adjustments and merits. The State provides only the current year (six-months) cost of January merits on a current year and continuing basis. The other half of the continuation cost of January merits, as well as the total cost, current year and continuation, of six-month increases other than new provisions (see IV.A.1. below), and upward reclassifications must come from turnover savings generated from within existing campus salary budgets. The State provides funding for Special Performance Awards, Management and Professional Incentive Awards, and the Administrative and Professional Career Development Awards.

Exceptional Increase funding is generated at the campus level by controlling staff merit increase budgets at a lesser percent of departmental eligible salaries than that used by the Office of the President in establishing the total amount of the campus Provision for staff merits. The relatively small differential thus retained is applied to exceptional increases to the limit of available funding.

A. Funding Staff Salaries (Subaccount 1)

1. New staff provisions are established at a classification level commensurate with intended workload and responsibility, solely from funds available in the department's budget. In general, new provisions are established effective July 1 and are funded on a current year and continuing basis at that time for full initial year costs including first year cost of a six-month increase (1/2 step) if applicable. If new staff provisions are established after July 1, funding must be provided by the department for the balance of the current year, and for full-year continuation during ensuing years, including six-month increase if applicable, at the time of establishment of the provision. Appropriate employee benefits support, if not separately provided by the Office of the President as a part of incremental permanent allocations, must be provided by the department also. To create a new provision during the course of the fiscal year, the department must prepare a Transfer of Funds to provide salary and employee benefits for the balance of the current year and for full permanent continuation. Newly created General Fund positions must be submitted to the Office of the President for approval through

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Resource Management, and await such approval. This usually requires one or two months.

Once established at the departmentally funded level, a new position may not be augmented from centrally administered funds for an exceptional increase or reclassification until the incumbent has been in the position for a full year. If reclassification or any salary augmentation other than a six-month increase or a normal merit increase earned in accordance with personnel rules is approved, the full cost for the current year and permanent continuation must be borne by the department.

Resource Management will provide funds to cover the necessary augmentation for approved six-month increases or normal merit increases.

2. Vacant provisions in the Management and Professional Program (MAP) and the Administrative and Professional Staff Program (A&PS) will be reduced on a permanent basis to the 25th percentile of the salary grade range to which the position was assigned when vacated. The 25th percentile is mid-way between the minimum and the mid-point of a salary grade range. However, a provision will remain at its current funding level if it is vacated below the 25th percentile of the salary grade range. Vacant provisions in Staff classifications will be reduced to Step I of the appropriate classification on a permanent basis at the time they are vacated.

This will be accomplished by a permanent transfer of funds prepared and processed by Resource Management. Department retention of current year savings resulting from vacated provisions is subject to approval by the appropriate Vice Chancellor.

When a vacant MAP, A&PS, or Staff provision is filled at a lower grade or classification, the provision shall be reduced to the level of hire of the person filling the position and the resulting downgrade savings will be drawn off on a permanent basis by a permanent transfer of funds prepared and processed by Resource Management.

3. Replacements in the Management and Professional Program and the Administrative and Professional Staff Program shall be funded at no higher level than the 25th percentile of the salary grade of the vacated provision. Replacements in Staff classifications shall be funded at no higher level than Step I of the classification of the vacated provision. University policy is to hire new MAP and A&PS members at a level not to exceed midpoint of the appropriate grade, and Staff employees at Step I of the appropriate classification.

If exceptions are granted by the Chancellor for MAP or A&PS appointments or by University policy PPM/SPM 250-305.31, for Staff appointments, it still remains the responsibility of the department to provide full current year and permanent funding of additional salary authorized in excess of the previous incumbent's salary level or the 25th percentile of the salary grade for a vacated MAP or A&PS provision or in excess of Step I for a vacated Staff provision.

NOTICE, dated 2/9/88

When a department has provided permanent funding of additional salary authorized in excess of Step I for a vacated Staff position, or in excess of the previous incumbent's salary level or the 25th percentile of the salary grade for a vacated MAP or A&PS position, the department may submit a written request to Resource Management for retention of turnover savings if the funded position is vacated within six months of the appointment date and no later than the completion of the next annual staffing cycle. A copy of the original *Transfer of Funds* must accompany the request.

If a Staff vacancy is filled by a trainee at a salary below Step I of the budgeted classification, the personnel form should carry an ending date for budgetary purposes to prevent permanent reduction of the provision to the trainee's level.

When a vacant MAP or A&PS provision is filled by promotion or transfer of an employee, consideration will be given to department retention of turnover savings (up to the level of the previous incumbent's salary) upon written request of the department submitted through Resource Management.

When a vacant Staff provision is filled by a University employee transferring laterally, or by a former employee on preferential rehire status, consideration will be given to department retention of turnover savings (up to the level of the new incumbent's former salary) upon written request of the department submitted through Resource Management.

4. Turnover Savings (permanent) generated from General Funds accruing during a given fiscal year are used by Resource Management during the following fiscal year in support of approved salary actions in the following priority order:
 - a. Continuation cost of prior year January staff merits (the State provides initial year cost of six months only).
 - b. Continuation cost of six-month increases (departments provide permanently the initial year cost, one-half step, related to new provisions only).
 - c. Funding of approved staff reclassifications subject to the adequacy of remaining turnover savings resources.

Because of the importance to all employees of the campus' ability to fund the above types of salary increases, it is to the advantage of both operating departments and central administration to protect the recovery of the turnover savings pool. No other source of funding exists for these purposes.

Virtually all turnover savings result from the withdrawal of merit funds awarded to previous incumbents. Since a merit increase is a reflection of the job performance of a specific individual, it is considered appropriate that the related merit appropriation be withdrawn when the specific employee who earned it is no longer incumbent, and that his/her replacement be hired at the entering step level for classified Staff or a reduced level for MAP and A&PS to repeat the process by upward progression through merit awards.

5. Funding for range adjustments is normally provided by the State for General Fund employees only. Appropriate amounts will be credited to departmental budgets by Resource Management.

6. Approved six-month increases will be fully funded by Resource Management when implemented by *Automated Change in Employment Status (ACES)* form. In the case of new provisions, one-half the funding will be provided by the department when the position is established.
7. Approved merit increases for Staff, Management and Professional, Administrative and Professional, and Executive members will be funded by Resource Management.
8. Approved exceptional increases for MAP, A&PS, and Staff personnel who have been incumbent in the same provision for at least one year will be funded by Resource Management. Exceptional increases awarded to an employee upon transfer to a different departmental budget shall be treated in accordance with rules applying to replacements (see IV.A.3. above).
9. Approved General Funded MAP Incentive Awards, A&PS Professional Development Awards, and Special Performance Awards will be funded by the State.
10. Promotion normally requires no funding beyond that available to the department in the provision to which the employee is promoted. If additional funding is required it must be provided from departmental resources.
11. Upward Reclassification will be funded by Resource Management to the limit of turnover savings available, provided the incumbent in the provision has occupied the position for at least twelve months. The cost of upward reclassification of a position which is vacant or which has experienced turnover within a period of twelve months shall be borne by departmental funds.

Reclassification of a vacant provision to an unrelated series, i.e., Typist Clerk to Laboratory Mechanician, represents a change in the use of budgeted funds and is not eligible for funding from the campus provision for reclassification.

12. Savings resulting from demotion or downward reclassification of an employee's position are rare. When an employee's salary is reduced to a step within a lower level classification, the difference between Step I of the previous classification and the employee's new salary level shall be treated in accordance with rules applying to replacement at a lower level staff title as explained in the final paragraph of IV.A.2. above. If the salary is reduced to a lower rate within the existing title code, the resulting permanent savings, which represent previously awarded staff merit funding, shall be drawn to campus turnover savings and the current year saving is committed to achievement of the campus budgetary savings target.

B. Funding General Assistance Salaries

Permanent General Assistance budgets funded from General Funds are augmented from centrally administered provisions for range adjustment only to the extent that funds are provided to the campus from the Systemwide Administration Provision for Range Adjustment.

General Assistance budgets are ineligible to receive augmentation from campus provision accounts for six-months, merit, exceptional or reclassification increases.

V. PROCEDURE

Requests for all salary actions, whether involving new hires or current employees, are processed in accordance with Personnel policies expressed in Policy and Procedure Manual Section 250, or MAP and A&PS implementing instructions. In the event that a department wishes further clarification of the budgetary requirements described herein, Resource Management should be contacted.

After the Personnel Department has given final approval to a proposed salary action, all *Automated Change in Employment Status (ACES)* forms involving permanent Staff Salaries are routed to the Accounting Office via Resource Management. Resource Management reviews the *Automated Change in Employment Status (ACES)* forms to determine what, if any, budget action is required, and forwards them to the Accounting Office, Payroll Division, usually well within twenty-four hours. Employment forms are reviewed on a post-audit basis by Resource Management.

In the event that departmental action is required to accomplish essential budget correction, Resource Management will contact the department. As stated in IV.A.3. above, Resource Management is authorized to transfer departmental funds as required in the absence of timely departmental cooperation. If indicated action involves campus provisional funding, Resource Management will prepare and process implementing *Transfer of Funds*.

VI. RESPONSIBILITY

A. Department

1. Process in a timely manner required personnel forms and transfers of funds.
2. Call to the attention of Resource Management any apparent omission or error in performing its assigned duties.

3. Prepare *Transfers of Funds* required to support salary actions not eligible for central provision support.
4. In the event of a departmental request for exception to the policy, provide to Resource Management full written justification to facilitate Resource Management review and recommendation to the Chancellor or designee.

B. Resource Management

1. Assist the departments as needed in the performance of departmental responsibilities as well as to perform tasks directly assigned to it.
2. Prepare *Transfers of Funds* supporting eligible salary actions as well as *Transfers of Funds* to draw turnover savings and downgrade savings to the provision accounts.
3. Review and recommend in as timely a manner as possible and report the resulting decision to the department.