

FY 2014 BUDGET DEVELOPMENT & SALARY GUIDELINES

Highlights:

- The University of Illinois at Chicago’s appropriation for FY 2014 will be essentially flat over last fiscal year, with a small increment for performance funding of \$25,600.
- The merit Salary Program for eligible employees is 2.75% and up to 0.5% for equity/market.
 - Administrative units will not receive funding for the 0.5% equity/market, and if an additional amount is awarded that must be funded by the unit.
- 1% average Reallocation;
 - 0.42% assessed on base state budgets
 - 0.57% (or \$0.56 per square foot) using the Space Economy model

I. FY 2014 Key Dates in the Budget and Salary Planning Process

FY 2014 Budget Planning Cycle Events	Timeline
Legislature passes FY14 state appropriation bill.	5/31/13
Governor Quinn signed the Illinois state budget (Public Act 98-0033 and 98-0035).	6/27/13
Budget Development phases created and made available to users.	6/28/13
UA Planning & Budgeting sent final Budget Allocation tables (“Greensheets”)	7/1/13
Academic/Open Range Salary Planner files available to colleges.	7/2/13
BPA issues budget allocations, guidelines and Budget Principles letter	7/9/13
Budgeting & Program Analysis (BPA) works with Units to project Institutional fund budgets.	7/10-16/13
Unit head must send a written justification to Budgeting and Program Analysis if the unit’s overall salary plan awards exceed 3.25%. <i>An individual salary increase over 7% must be forwarded to Faculty Affairs (Attn: Angela Yudt) or UIC HR Compensation (Attn: Ron Puskarits), as appropriate, for Chancellor or Provost approval.</i>	7/22/13
Units complete update of Budget Development worksheets to reflect FY14 budget. <i>Contact OBFS Budget Office when ready to be “locked out” of the Budget Development module.</i>	7/26/13
Colleges/ administrative units finalize Academic/Open Range changes to Salary Planner files. Salary Planner locks.	7/26/13
OBFS Budget office reviews college/administrative unit budget submissions.	8/2/13
OBFS Budget office completes institutional funds budgets, campus-level budget adjustments, general & administrative budgets & campus tie-outs.	8/5-9/13
Campus Budget Development files completed and locked.	8/9/13
Restricted funds and Budget Development files loaded to create the Budget Summary for Operations (BSO).	8/9/13
Review draft BSO versions based on Budget Development and restricted funds data loaded to BSO program.	8/12-16/13
Preliminary draft of campus-level BSO Schedules A-D finalized & printed.	8/19/13
Preliminary draft of Executive Summary section of the BSO prepared.	8/21/13
BSO Reviews & edits with various stakeholders.	8/22-26/13
Final BSO review and send to the printer.	8/27/13
BSO to the Board Office (Committee materials and handouts due.)	9/2/13
September Board of Trustees Meeting.	9/12/13

Chancellor Allen-Meares and Provost Kaufman will be issuing a separate document that summarizes the budget, management, and planning issues for each college and administrative division.

II. FY 2014 Budget Development System

Information on the *Budget Development* (Finance) module can be accessed from this link: <http://www.obfs.uillinois.edu/budgeting/budget-development/>

Please note that all changes to *Budget Development* data for state funds should reference fund code 100013. This value will be automatically incremented to 100014 for all line items before they are rolled to the operating ledger. However, any new state fund CFOP combinations created for FY 2014 should reference fund code 100014. Also, please remember to use the permanent duration code and whole dollar amounts only.

III. Budget Contacts

Please direct questions to the following units/individuals, based on subject matter:

<u>Subject Matter:</u>	<u>Office/Contact:</u>	<u>Phone:</u>	<u>E-mail:</u>
Budget Guidelines & Allocations	<u>Budgeting & Program Analysis</u> Janet Parker, Director Mary Ellen Korman, Associate Director	3-3620	japarker@uic.edu mekorman@uic.edu
Budget Development Worksheets	<u>OBFS Budget Office</u> Clarence Brock, Director Michael Moss, Associate Director Budget Operations & Financial Analysis	6-2541 6-0306	cbrock@uic.edu mmoss2@uic.edu

IV. Budget Guidelines and Allocations

A. **State Funds**

1. *Education Assistance Fund (EAF) and General Revenue Fund (GRF)*

The state appropriation to the University of Illinois is \$668,161.4 million. UIC’s share of that, net of the UIC Hospital is \$195,718.8 million or 29.3%. The net state budget to the Hospital is \$38,677,990, which includes a reallocation of administrative allowance to preserve the state Medicare match requirement.¹

Specially earmarked funds – the General Professional Dedicated Fund for Pharmacy’s Rockford, revenue from the Library and Technology assessment, and support for the Institute for Policy

¹ In FY 2010, the federal government required a \$45 million matching contribution to be deposited in the Hospital Trust; the level of this requirement was based on the approximate amount of GRF in the Hospital budget and was formalized in an inter-governmental agreement between IDHFS and the University of Illinois that is renewed annually.

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and Civic Engagement, the Hispanic Center of Excellence, and the College of Dentistry – are unchanged from the prior year. A small increase was budgeted in the University Trust Fund from license plate revenue used for scholarships.

2. Reallocation

The budget principles memo from the Chancellor and Provost details Campus and University-wide sources and uses approved for FY 2014, which results in a net reallocation of 1%. Two additional allocations were authorized: \$600,000 for the University Library and \$260,000 for Human Resources.

Sources

Tuition Revenue	\$3,724,979	
GRF	\$25,600	
Total Sources		\$3,555,846

Uses

Salary Program: 2.75%

Salary Program for FM Space Economy	\$ 727,206	
Salary program - Administrative Units	\$ 1,852,643	
UA salary program - UIC share	\$ 1,127,949	\$ 3,707,798

Hold Harmless

Facilities (Space Economy)	\$ 125,337	
VC/Dean Salaries	\$ 22,027	
Other	\$ 83,187	
Space Allocations	\$ 602,061	\$ 832,612

Other Campus Priorities & Centrally Borne Costs

Faculty Awards	\$ 526,160	
Strategic Investments	\$ 860,000	
Facility Renewal and Replacement	\$ 2,000,000	
Workers Compensation	\$ 115,600	\$ 3,501,760

Total Uses **\$ 8,042,170**

Reallocation Requirement **(\$4,486,324)**
1%

The Space Economy model assesses an amount needed to cover the costs related to facilities usage on a square footage basis. This year to even the distribution of impacts between the two reallocation methodologies, the salary costs of Facilities Management staff is not included in the Space Economy calculations. This results in an assessment of \$0.56 per square foot and amounts to 61% of the total uses, or \$2,727,398, which includes the \$2 million budget increment for Repair and Renovation.

The remaining requirement or \$1,758,926 is based on a 0.43% reduction assessed against each unit's adjusted state base budget. This amount makes up the remaining 39% of uses net of tuition holdback revenue.

We have continued to exempt certain centrally managed budgets from the budget reductions, namely, Financial Aid, Benefits, Summer Session and Utilities. Also, certain units are held harmless from the reallocation assessment: Urban Health Program budgets, Commencement, Facilities Management, Campus Police, Environmental Health and Safety Office, various student support and diversity-related programs. A complete list of the exempted and held harmless budgets is included in Appendix A.

Specially earmarked state funds are also exempted from the reallocation program.

3. *Allocation Sheets*

State fund allocation sheets are provided as part of this communication to deans and vice chancellors who have the responsibility to distribute specific allocations by department.

4. *Tuition Revenue Distribution*

Tuition revenue will continue to be distributed to the instructional units under the same formula used for the past five years: 75% of base undergraduate and graduate tuition, 75% of undergraduate differential tuition, 85% of graduate differential and professional tuition, and 75% of online and extramural tuition revenue.

A detailed forecast of tuition revenue has been shared with the colleges. These numbers establish the college's base tuition budget. Should a college wish to amend these planning numbers, please contact Janet Parker x3-3620, at your earliest convenience to discuss.

Actual tuition revenue earnings by college will be monitored during the year. Rather than waiting until year end, a mid-year adjustment will be considered to address large variances. Final adjustments to reconcile budgeted tuition revenue to actuals will continue to be part of the fiscal year closing process.

Three new changes in revenue sharing practices have been implemented into base budgets this year. These are shown as a separate *programmatically change* in the allocation sheets.

a. *Undergraduate Non-Resident Tuition Premiums*

Effective FY 2014, colleges will receive an annual tuition distribution of \$8,000 for each Undergraduate Non-Resident student based on Fall actual headcount. \$1,000 will be retained by the campus.

To establish the base budget allocation, the preceding Fall semester's data (Fall 2012) will be used, and a true-up to actual Fall 2013 data will be done in the Spring.

Because resetting the revenue will impact each college differently, colleges will be held harmless from any negative revenue impacts for the next three years beginning FY 2014. The practice will be reviewed after Fall 2015 to determine whether there has been any growth in the number of non-resident students - meaning did we incentivize a change and to make a recommendation about continuing the premium, extending the hold harmless period, changing the amount and or revenue sharing methodology.

Should tiered non-resident tuition rates for domestic and international students be approved for implementation in a future fiscal year, the amount of the premium will have to be changed to assure revenue neutrality.

b. *Graduate Cross-Instructional Transfers*

Effective FY 2014, each college will share \$150 per semester credit hour (SCH) with those colleges delivering course work (measured in terms of credit hours) to graduate students who are not enrolled in their college. This is an increase of \$50 / SCH. Because that data is not typically available until after Spring census, the budget allocation will be based on the prior year's actual and then a true up will occur at the end of the fiscal year.

c. *Employee Educational Benefits*

Effective FY 2014, colleges will receive \$150 / SCH for each credit hour waived due to the employee exemption benefit and all units will be assessed \$75 / SCH for their employees who are enrolled as UIC students. Units must follow campus HR policies regarding employee educational benefits 506-01 and 506-02 found at:

http://www.uic.edu/depts/hr/relations/policies_procedures.shtml

This assessment should not be the basis for denying an employee request to enroll in accordance with these policies.

Enrollment data will be based on prior fiscal year actual SCH; we will make the allocations one year in arrears. Non-revenue generating units will be held harmless in FY 2014, but will be expected to cover the costs for their employees starting in FY 2015. The University of Illinois Medical Center (Hospital) will be billed the full rate of \$150 / SCH for their employees participating in this benefit.

5. *Tuition Remission*

Tuition remission revenue is generated both for Research Assistants (RA's) and Graduate Assistants (GA's). In both cases, the tuition remission charge is a percentage of the stipend paid to the assistant and recognized as only partial recovery of the cost of the tuition waiver.

Based on UIC's negotiated F&A agreement with the Office of Naval Research, the RA tuition remission rate will remain at 42% of the salary paid to the assistant whether hired as a GA, RA, or TA, and billed as a direct cost to the sponsored agreement. More information about this charge is available at:

<http://tigger.uic.edu/depts/ovcr/research/proposals/policies/policies-ga.pdf>

The GA tuition remission benefit rate will remain at 21% for FY 2014, or half of the federally negotiated tuition remission rate. Salaries of assistants with tuition and fee waivers are the base for the assessment. This rate applies to GA's, RA's or TA's paid by funding sources other than grants and contracts (non-sponsored program funds.) More information about this charge is available at:

<http://www.uic.edu/depts/oaa/bpa/docs/Tuition%20Remission%20for%20Graduate%20Assistants.pdf>

75% the tuition remission revenue will be allocated to the college in which the RA, GA or TA is enrolled. This revenue from tuition remission remains unbudgeted in FY 2014 and the funds will be allocated from the campus to the colleges on a non-recurring basis. Perhaps during FY 2015 budget development, we may want to build a portion of the prior year's actual remission into the college's base budget and reconcile to actuals at the end of the fiscal year.

6. Inflationary Increases to Maintenance and Operational Costs

There are no funds available to address inflationary cost increases on expenditures for maintenance and operational costs. Each unit will need to determine how to absorb the potential for increases in various goods and services. The most recent Consumer Price Index for all Urban Consumers dated May 2013 (All Items) for the Chicago-Gary-Kenosha (IL-IN-WI) area reflects an increase of 1.5% with the energy index increasing 3.8 percent primarily due to rising prices for utility (piped) gas service. See: <http://www.bls.gov/ro5/cpichi.pdf>

7. Salary Program Funding

There will be no new funds from the State of Illinois to support a salary increase program. However, it is recognized that salary competitiveness is important to sustain a quality workforce. Therefore, a 2.75% salary program will be offered for merit, with up to another 0.5% to address market, compression or equity adjustments.

Revenue producing units (colleges) are expected to fund the cost of the general salary program for their employees. Units that do not receive tuition will receive an allocation from the campus equivalent to 2.75% of budgeted salaries **but are required to fund any portion above this amount** not to exceed 0.5% for market/equity salary increases.

Each unit is responsible for the equitable distribution of these funds amongst all non-represented employee groups subject to the constraints elaborated in the salary guidelines below. See page 9: Salary Program Guidelines for more information.

The budget allocation sheets show the estimated cost of the salary program to your unit. For colleges, the allocation sheets will reflect the amount required to fund the salary program. For all units, the salary program cost is calculated based on 100% of the FY 2013 personal services budget and the actual cost may vary based on employee eligibility and or due to imprecise budgeting.

8. Funding for Dean and Vice Chancellor Salaries

Salary lines for the deans and vice chancellors are shown in the units so the costs are accurately reported. However, these positions are 'owned' by the campus to ensure sufficient funding is provided. When one of these positions becomes vacant, the permanent salary budget is returned to the campus until the position is filled and any turnover salary savings accrue to the campus rather than the unit. The campus in turn provides sufficient non-recurring funding to meet the costs of the interim appointment. The campus also bears the search costs for the permanent replacement. When the new dean or vice chancellor is appointed, the campus allocates permanent funding to the unit at the new salary level.

Consistent with this practice, salary increases for deans and vice chancellors – which are determined outside the unit, by the Provost and Chancellor, respectively – will also be funded centrally by the campus. The salary program increment for the administrative units will be adjusted to pull back to campus the increment for the vice chancellors' salary line. These amounts will be shown as a *programmatic change* on the units' FY 2014 State budget allocation sheets. Once each dean's and vice chancellor's salary increase is known, the permanent budget increment will be transferred to the units. These salary lines are also held harmless from the budget reallocation.

9. *Faculty Promotion and Tenure*

Recruiting and retaining the best faculty continues to be one of the highest campus priorities. To support this priority, the campus will provide funds for salary increases for tenure-track and tenured faculty who are promoted effective August 16, 2013. The campus will provide \$3,000 for each full-time faculty member promoted to full professor and \$2,000 for each full-time faculty member promoted to associate professor with tenure. These amounts are pro-rated for part-time faculty.

The current Underrepresented Faculty Recruitment Program (UFRP) policy can be found on the Academic Affairs website at: <http://www.uic.edu/depts/oa/policies/proced.html>. This program provides permanent budget allocations for qualifying newly recruited faculty of up to \$20,000 for an assistant professor, \$25,000 for an associate professor, and \$30,000 for a full professor. The amount does not bear any relationship to the actual salary, but is instead allocated to the college as an incentive. When an under-represented faculty member achieves tenure or promotion, the college will receive an increment to the next level of funding based on rank.

Finally, the campus will also continue to support faculty awards, whether they are granted through the Teaching Recognition Program coordinated by the Council on Excellence in Teaching and Learning, or the Faculty Senate's Award for Excellence in Teaching.

B. Institutional Funds – Administrative Allowance

The Budget Development system supports the establishment of recurring Administrative Allowance budgets for the new fiscal year. Units with recurring (base) Administrative Allowance budgets will also receive allocation sheets as part of this communication. Consistent with the treatment of State funded budgets, units funded by Administrative Allowance will also bear a 1% reallocation impact.

The above paragraphs 5, 6 and 9, under section A. also apply to institutional, administrative allowance funds.

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C. Institutional Funds – Indirect Cost Recovery (ICR)

1. F&A Rates

Effective Date: July 1, 2013 - June 30, 2014	On-Campus*	Off-Campus*
Activity Type		
Organized Research	59.50%	26.00%
Instruction	42.4%	26.00%
Other Sponsored Activities	36.00%	26.00%
Industry Sponsored Clinical Trials	25.00%	25.00%
Standard Tuition Remission	42.00%	42.00%

More information may be found at <http://www.obfs.uillinois.edu/grants/indirect-cost-rates/chicago/>

2. ICR Distribution Formula

47.5% of actual ICR earnings are allocated to the colleges:

Of that amount, 30% is attributed to the academic earnings units. The actual revenue is distributed automatically on a daily basis throughout the fiscal year as directed by the Proposal Approval Form (PAF) executed for each sponsored project.

The remaining 17.5% will be budgeted in the college-level program code established for this purpose (*or the CFOP that has been receiving this share of ICR revenue*). Likewise, actual ICR revenue is posted throughout the fiscal year on a daily basis as earned.

3. Current Year Performance, Forecast

We did not receive large multi-year awards during FY 2013 and the ICR revenue is projected to be down by 13%. In aggregate, ICR revenue is projected at \$63 million, vs. the \$76 million budgeted in FY 2013.

The chart below includes **total sponsored program** (*not just research*) expenditures recovered as direct and indirect costs.

Total Sponsored Programs	FY09	FY10	FY11	FY12	FY13 (as of 6/21)
YTD-Direct	\$ 277,710,730	\$ 303,510,278	\$ 319,081,597	\$ 314,219,510	\$ 282,107,755
YTD-F&A	\$ 60,647,821	\$ 69,780,693	\$ 75,017,446	\$ 71,939,865	\$ 62,705,377
Total	\$ 338,358,551	\$ 373,290,971	\$ 394,099,043	\$ 386,159,375	\$ 344,813,132
% change in Total		10%	6%	-2%	-11%
% Change in ICR		15%	8%	-4%	-13%
Net Effective ICR Rate	22%	23%	24%	23%	22%

To establish the FY 2014 budget, we will use the methodology of decreasing the actual revenue billed during FY 2013 by 3%. If a unit has received new sponsored program awards and wishes to amend the budget established based on the above methodology, they should work with Budgeting & Program Analysis. Likewise, if a unit wishes to lower their budget based on individual circumstances, such requests will be accommodated as we do not want to overstate ICR budgets. Carry-forward balances for institutional funds are automatically posted in Banner and do not need to be entered into the Budget Development system.

D. **Revolving Funds**

Self Supporting and Medical/Dental/Nursing Practice Plan budgets are entered in the Budget Development module. Units are responsible for projecting these budgets using prior year actual data and future year estimated revenues and requirements based on activity and or rate changes. The fund balance and general ledger cash balance should be in a positive financial position and within the allowable carry-forward provisions of the [Legislative Audit Commission](#) for self-supporting funds.

The University has developed a policy for the disposition of excess funds which will govern the disposition of any excess funds calculated at the end of FY 2012. The policy can be found at: <http://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=928752>.

Units with negative balances will be expected to produce Deficit Reduction Plans as per existing standard practice.

E. **Restricted Funds**

Gifts, Grants and Contracts budgets are not included in the Budget Development module.

V. FY 2014 Salary Program Guidelines

A. *General Principles*

Merit pay is a salary adjustment awarded to employees as recognition of their contribution towards meeting the goals and objectives of the department, college and university during the previous year.

The following general principles apply to the eligible employee groups as described below. *These are directions and guidelines to administrators as they decide salary adjustments for individual faculty and staff members, and are not intended to provide any guarantee or entitlement regarding the amount of pay adjustment that individual faculty and staff receive.*

All units are asked to complete their salary plans by the close of business on **Friday, July 26, 2013** at which point they will be locked out from making further edits.

B. Salary Program – Average Merit Increase

The budget allocation to administrative units is based on 2.75% of the state personal services base. The average awards will be based on 2.75% of the filled, eligible, and continuing positions. Of this amount, in recognition of increasing costs to employees, it is recommended that every eligible employee, except in special circumstances, which might include unsatisfactory performance, receive a minimum pay increase of one-half of one percent (0.5%).

Up to an additional 0.5% may be awarded for market/equity purposes but all such awards must be funded by the unit.

C. Eligible Employee Groups

The UIC Campus Salary Program Guidelines apply to the following eligible employee groups irrespective of the funding source used to pay the salary cost and regardless of the reappointment process used (e.g. whether reappointed via Salary Planner or submitted by a HR Front End transaction):

- Academic Professional employees (both visiting and permanent status)
- Post-Doctoral Research Associates
- Civil Service Open Range employees
- Faculty not represented by collective bargaining²

Units can review the guidelines at the link below to determine whether a salary increase should be processed within Salary Planner or as part of an HR Front End transaction. These guidelines also discuss the reappointment process for employees.

<http://www.uic.edu/depts/hr/quicklinks/salaryplanner/index.shtml/>

D. Individual Eligibility

Satisfactory performance is a pre-condition to being eligible for any salary increase. All eligible employees whose performance is at least satisfactory should be considered for a merit increase.

Employees hired after May 16, 2013 are generally not eligible to receive pay increases through this program as it is expected that the starting offer took into consideration current market salaries. However, there is no hard and fast rule on this and units that do award salary increases to new employees should have a good reason for doing so.

² Excluded from the faculty bargaining units are all faculty of the College of Pharmacy, the College of Medicine, and the College of Dentistry, and all supervisors, managerial and confidential employees as defined under the Illinois Educational Labor Relations Act (IELRA).

To be eligible for a pay increase under this salary program, an employee must remain on the payroll beyond August 16, 2013. Employees terminating before this date, or those not expected to continue are ineligible.

Reemployed retirees except those hired via an open search process are not eligible for a merit increase under this salary program.

E. *Ineligible Employee Groups*

Employees represented by collective bargaining are excluded from the salary program / merit pay process. This includes:

- Academic Professional employees already converted to a Civil Service in a classification represented by a bargaining unit are not eligible for the campus salary program and will instead receive the increases dictated by their collective bargaining agreement.
- Graduate & Teaching Assistants (represented by the Graduate Employees Organization, GEO) will be paid according to the collective bargaining agreement and are not in salary planner.
- Probationary open range Civil Service employees and probationary “Confidential” employees are not eligible for pay increases under the salary program as those employees may be eligible for an increase upon the successful completion of their probationary period. An HR Front End transaction and Open Range Merit Transmittal form must be sent to the UIC Human Resources Compensation Section to implement the increase.
- Salaries for those support staff in bargaining units or subject to Collective Bargaining and Prevailing Rate contracts will be set by negotiation or in accordance with the terms of their appropriate agreements. These salaries are shown in Salary Planner, but the units cannot enter increases; these data are read-only. Appointments for these employees have no end dates, so reappointment is not required. Campus HR enters increases in accordance with the employee’s collective bargaining agreement.
- Faculty represented by the UIC United Faculty Association³:
 - *Tenure System Unit*: All full-time (*i.e.*, employees who have .51 or greater appointment as a faculty member) tenured or tenure-track faculty.
 - *Non-Tenure System Unit*: All full-time (*i.e.*, employees who have .51 or greater appointment as a faculty member) non-tenure system faculty who possess a terminal degree appropriate to the academic unit in which the faculty member is employed, and all full-time non-tenure system faculty without the appropriate terminal degree who have been employed for four consecutive semesters, excluding summer terms.

Bargaining unit faculty members are now coded in the system and the colleges will get lists of those that remain eligible for increases under the salary program guidelines.

Note: Bargaining unit faculty are still eligible to receive salary adjustments due to campus awards that provide base salary augmentation; approved counter/retention offers; and or promotion and tenure increases.

³ The Illinois Educational Labor Relations Board (IELRB) certified the UIC United Faculty Association as the exclusive bargaining representative of two bargaining units on June 28, 2012.

Pay adjustments for faculty in bargaining units will be subject to negotiation with the bargaining representative, and/or applicable contract settlements, and may not be unilaterally adjusted pursuant to these salary guidelines. Likewise, pay adjustments for Graduate and Teaching Assistants, and civil service employees in bargaining units will be governed by negotiations and/or applicable contract settlements.

F. *Confidential Employees*

Confidential, as defined by the IELRA, refers to Civil Service employees who are assigned to titles covered by a union agreement but are exempt from that agreement based on their status as “confidential.” The employees typically receive all of the increases that union members receive, including across-the-board increases and anniversary step increases. Confidential employees may also receive an increase at the same time as Open Range Civil Service employees.

If the employing department wants to grant an increase to a confidential employee when bargaining unit employees are not receiving an increase, it must be sent through on a HR Front End transaction to the UIC Human Resources Compensation Section.

It is necessary to match the increase to steps in the negotiated agreement. This will allow the confidential employee to continue to receive negotiated and anniversary increases automatically in Banner.

Questions on increases for confidential employees should be addressed to the UIC Human Resources Compensation Section at puskarit@uic.com.

G. *Salary Planning Units, Award Methodology & Implementation*

For the purpose of annual salary planning, a salary planning unit is defined at the College or Vice Chancellor level. Deans and Vice Chancellors are free to manage the increase pools differently within each department. As such, salary increases for individual employees or individual departments may vary so long as the overall unit plan meets the specified parameters.

The average merit increase recommended for each unit should not exceed 2.75% of the total salary costs. In general, individual increases should vary based on performance. In some units, particularly smaller ones, the performance of employees may be similar, warranting the same increase. The President has requested that except in special circumstances, all employees receive a minimum increase of 0.5%.

H. *Equity/Market/Compression Special Adjustment*

To address salary issues resulting from market pressures, compression between and within ranks, promotions, counter offers, and other equity considerations, Deans and Vice Chancellors may provide a market/equity increase from a pool made up of up to 0.5% of the unit’s salary total. There will be no funding provided to the administrative units for this purpose.

Awards will be at the discretion of the Dean or Vice Chancellor and should only be applied to meritorious employees whose salaries are lower:

- as compared to market;
- within the assigned salary range considering their years of service and ability; and/or
- than comparable staff in the unit.

I. Salary Increase Reports and Limits

1. *Unit Limits*

We expect to see a range of increases within a unit. Review will be at the college and vice chancellor level and each dean/vice chancellor is responsible for achieving no higher than a 3.25% average for the merit and market/equity portions combined.

If the **unit's** salary plan exceeds 3.25%, the unit head shall forward a written justification to the Office of Budgeting and Program Analysis no later than July 22, 2013.

2. *Individual Limits, Justification & Approval Requirements*

The following circumstances will trigger the requirement to provide additional justification and approvals. This is regardless of reappointment methodology. These justifications must identify the individual, the job title, the current compensation base, the proposed adjustment, and the justification for that adjustment:

- Any **individual** increase greater than 7% at the campus level requires Provost or Chancellor approval, depending on whether the individual is employed in a college or vice chancellor area.
- Increases exceeding 7% for any RAMP administrator require the President's review and approval.
- Any award of 0%.

Submit **individual** justifications within the salary planner timeframe for Academic Professional and Open Range Civil Service employees to UIC Human Resources Compensation Section (HRB, 715 S. Wood Street, 305A, MC897) or puskarit@uic.edu. Faculty justifications should be submitted to Faculty Affairs attention 2631 UH (601 S. Morgan MC 103) or uichrsalaryplanner@uillinois.edu using the template available on the FAHR forms page: <http://www.uic.edu/depts/oaa/fahr/forms.html>

Please provide this information by July 22, 2013, to assure appropriate time for review and approval. Any increases that are not approved will be removed from Salary Planner or the HR Front End transaction will be returned accordingly.

3. *SURS Limits*

Under SURS rules, units are responsible for payment of the increase in pension benefits that may result from an increase in earnings exceeding 6% at the time of an employee’s retirement, if applicable. For further information, see:

<http://www.uic.edu/depts/hr/quicklinks/newsflash/6%2013%2011%20Important%20Changes%20to%20SURS.pdf>

J. *Salary Rates for Represented Employees*

Salaries for those support staff subject to Collective Bargaining and Prevailing Rate contracts will be set in accordance with the terms of their appropriate agreements. These salaries are shown in Salary Planner, but you cannot enter increases; these data are read-only. Appointments for these employees have no end dates, so reappointment is not required. Campus HR enters increases in accordance with the employee’s collective bargaining agreement. Questions regarding salary rates for represented employees should be directed to the UIC Human Resources Compensation Section at puskarit@uic.edu.

K. *Academic Professional and Postdoctoral Research Associate Minimum*

The minimum salary for Academic Professionals and Postdoctoral Research Associates will increase by 2.75%, from \$29, 138 to \$29,939 (for 12-month service at 100% time). The minimum is pro-rated for part-time employees. It is the responsibility of the units to provide funds for costs associated with raising the minimum.

Salary Planner will be audited to ensure that current full-time AP salaries are at least at this minimum. If the increase awarded does not take the salary to minimum, it will be increased in Salary Planner by campus HR staff. The minimum is prorated for those individuals whose job appointment is less than 1.0 FTE.

HR Front End transactions for pay increases effective August 16, 2013 and later will be reviewed to ensure that the minimum salary is in place.

L. *Student Employees Wage Plans*

Student Employment within the Office of Career Services sets the student employment wage plan. There was no wage increase recommended for student employees for FY2014. As in the past, departments may increase a student’s wages based on merit, anniversary date or reclassification.

Contact the Office of Student Employment in Career Services for further information on the salary program for student employees, or visit the [Student Employment website](#).

FY 2014 Student Wage Schedule				
	Step A	Step B	Step C	Step D
Group I	\$8.50	\$8.56	\$8.99	\$9.39
Group II	\$8.77	\$9.39	\$9.82	\$10.25
Group III	\$9.74	\$10.38	\$10.80	\$11.22
Group IV	\$10.58	\$11.22	\$11.62	\$12.32
Group V	\$11.49	\$12.46	\$13.14	\$13.82

M. *Student First Time Hires and Starting Rates*

All students employed for the first time should be paid the beginning rate of pay for the classification in which the student is employed. Starting rates are the minimum rate for each classification.

If a student possesses experience, education and/or other qualities that may justify a higher beginning rate of pay, a written justification must be sent to the Student Employment Office. Students can be paid a higher salary upon receiving approval by Student Employment.

N. *Student Employee Change in Positions*

A student who is currently employed and wishes to change to another student position can be granted an increase in salary if the beginning rate of the new approved classification is at a higher rate than the one in which the student is currently employed.

For more information, visit their website at:

http://www.uic.edu/depts/st_empl/wage_plan.shtml

O. *Extra Help Employees Salary Increases*

Compensation of Extra Help/Temporary employees shall be made in accordance with established approved State Universities Civil Service System classifications and University of Illinois pay plans.

The pay rate for an existing Extra Help employee should conform to the salary range for the classification that conforms to the job responsibilities performed by the Extra Help position. For specific information, contact the Extra Help Coordinator at extension 6-8514.