

ACTION ITEM

Priority: **Urgent**

Comments requested by: September 25, 2006

September 14, 2006

UCSC EMPLOYEES

Re: Proposed 2006-07 Salary Plan for UCSC Staff—Non-Represented

As previously announced by President Dynes, state leaders adopted a state budget for 2006-07 that reflects the critical importance of continued state funding for UC salaries. We are pleased to announce the proposed salary program for non-represented employees covered by Personnel Policies for Staff Members (PPSM)¹. This program is subject to the normal employee notice and comment period.

The final state budget for 2006-07 included a 4% funding increase for employee compensation and benefits programs. Elements of the 2006-07 system-wide salary program are as follows:

- A merit funding pool of 3.5 percent for policy covered staff employees, effective October 1;
- An equity funding pool of 0.5 percent to address significant individual market parity and equity issues for policy covered staff employees, effective October 1.

A. Elements of the proposed local Santa Cruz salary program for PPSM covered employees include:

Salary Increases

This year, the Santa Cruz campus is commencing its performance-based merit program for Professional and Support Staff (PSS) and Managers and Senior Professional Staff (MSP). We consider this year to be a transitional year in which we have begun to lay the groundwork for a campus-wide performance management program with which to align a campus-wide full merit program. In anticipation of this campus-wide initiative, some divisions are prepared this year to run their full merit program. Therefore, Principal Officers will have discretion to 1) run a full merit program with authority to provide merit increases ranging from 2% to 5%², or 2) run a divisional program wherein PSS and MSP employees with performance of satisfactory or better receive a 3.5% increase, matching the 3.5% control figure that all divisions must meet. With either option, the supervisor must still provide

¹ Salaries for represented employees are governed by collective bargaining agreements.

² Please note: Although increases can fall anywhere in this range based on performance, the division is still obligated to meet the control figure average of 3.5%.

the rating that matches the performance appraisal completed for the 2005-06 review period. As well, with either option, PSS and MSP employees with a performance rating below satisfactory (or did not meet expectations) will not receive a merit increase.

This merit program applies to PPS and MSP employees across all fund sources.

For newly hired employees *whose starting salary already reflects the anticipated merit increase*, supervisors will have discretion to give a 0% increase.

Funds for the 2006-07 merits for budgeted state-funded staff will be allocated by Planning and Budget to the Principal Officers and Administrative Officers for distribution to eligible PSS and MSP employees in their respective areas. Merits for staff paid on non-state and non-budgeted state funds must be covered by the respective fund source.

Merit amounts will be reflected in November 1, 2006 paychecks.

Performance Appraisals

Written performance appraisals should be completed for each career employee. The absolute last day to submit performance appraisals has been extended to September 27, 2006.

Staff Award Program

The UC Office of the President has not yet distributed guidelines for the 2006-07 Staff Recognition and Development Program (SRDP); therefore, information regarding the 2006-07 SRDP will be announced at a later date.

Salary Structure Adjustments

The PSS and MSP salary grade minimums will be adjusted by approximately 3.5% effective 10/1/06. The proposed salary grades are listed at http://shr.ucsc.edu/topics/comp-class/salary/99-sal_pss-and-msp.htm

Special Salary Equity Funding

As part of the 2006-2007 salary program for non-represented staff employees, the campus will again be able to address some salary equity needs. The priority will be to make some progress in narrowing the gap where significant market lags exist and to address individual salary equity issues. The Planning and Budget Office will allocate and facilitate the transfer of funds based on the 2006-07 program/plan adopted by the campus. The final Salary Equity program and funding information will be provided at a later date. It is expected that non-State funded operations will provide equivalent funding for the same purposes.

B. Exclusively Represented Employees:

For exclusively represented employees, salary increases are subject to the terms of existing collective bargaining agreements and/or to meeting and conferring in accordance with the Higher Education Employer-Employee Relations Act (HEERA), as appropriate.

If you have any questions or comments, please contact:

The Senior HR Partner for your team (http://shr.ucsc.edu/hrst/hrst_locate-team.htm) or Karin Dunwoody, Senior Compensation Analyst, kpd@ucsc.edu, by September 25, 2006.

Sincerely,

Willeen McQuitta, Director
Staff Human Resources

cc: Vice Chancellor Vani
Sr. Manager Allison
Sr. Manager Purcell
Senior HR Partners
Sr. Compensation Analyst Dunwoody