

## Salary Administration Policy

### A. Philosophy and Objectives

The primary purpose of the salary administration process at Mayville State University is to further the institution's mission by attracting and retaining qualified employees. Individuals involved in the process will strive to make decisions fairly and communicate them effectively. In an environment of limited resources, salary adjustments are particularly sensitive issues. As a result, Mayville State University is committed to an open and honest dialogue.

### B. Methods and Guidelines

The ability to make salary adjustments at the campus level depends on legislative action and State Board of Higher Education (SBHE) guidelines. In some years, the campus may not receive funds or authorization for exercising discretion with salary allocation.

Salary adjustments are divided into two main categories: annual budgeted salary adjustments and other salary adjustments.

- 1) When the campus is authorized to make annual salary adjustments, the decision process is as follows:
  - a) The vice president for business affairs provides the president and vice presidents with relevant information from the ND Legislature and the SBHE, including any guidelines from the Chancellor and the Cabinet.
  - b) The president and the vice presidents determine priority needs of the institution that requires use of salary dollars. The president and vice presidents establish the guidelines for salary distribution, including:
    - i) Amount required to meet the mandates from the legislature or State Board of Higher Education.
    - ii) Amount to be distributed across the board for cost of living (terminology is defined in Section E, below)
    - iii) Amounts (if any) to be distributed for any or all of the following: contribution to mission and purpose, internal equity, market or external equity, faculty promotion in rank, or achievement of degree. Human Resources will make available market, retention, and internal equity data to assist in priority determination.
    - iv) Instructions for supervisors regarding their input on individual salary adjustments
  - c) The president informs the Finance and Plant Committee (F&P) of the guidelines, funds available, and priority needs and provides the F&P Committee with an opportunity to offer relevant advice to the president and vice presidents.
  - d) When funds are available for increases beyond cost of living, the president and vice presidents ask all supervisors to submit recommendations with written documentation regarding salary increases for individuals other than across-the-board.
  - e) The president and vice presidents consider F&P Committee advice; supervisor recommendations; market, retention, and internal equity data; and other input and make recommendations to the president on salary increases for individuals.
  - f) The president and vice presidents provide the F&P Committee with summary information regarding salary increase decisions.
  - g) The president presents the salary budget to the SBHE. A copy of the approved budget is placed in the university library.
- 2) Other salary adjustments may be made during the year, including post-probationary adjustments for banded staff, band change adjustments, changes in position, market, internal equity, workload adjustments, interim appointments, and one-time payments to individuals. Change requests are

initiated by supervisors and require approval from Human Resources and the relevant vice president or president.

### **C. Process for Impartial Review of Salary Adjustment Decisions**

Current grievance policies provide an impartial review of a salary decision. An employee who thinks that the decision concerning his or her salary is inappropriate may request a review, as follows:

1. Banded Employees: Section 28 of the NDUS Human Resource Manual.
2. Faculty: SBHE Policy Manual, Section 612.
3. All Employees: Any person who believes that an inequitable salary decision was made on the basis of race, color, religion, national origin, sex, disability, age, veteran's status, or sexual orientation may wish to refer to MSU Policy Manual, Section M612, Equal Opportunity Grievance Procedures.

### **D. Distribution and Communication of Policy**

The Salary Administration Policy is included in the MSU Policy Manual, Section M702.4. The administration and appropriate committees are to disseminate information regarding this process during deliberations and public forums.

### **E. Definitions and Guidelines**

- 1) Terms that apply to annual salary setting:
  - a) Cost of living adjustment - an across-the-board amount, either a fixed dollar figure or a percentage that is related to changes in the cost of living. Cost of living adjustments become part of an employee's base salary. Cost of living adjustments are usually based on changes in the Consumer Price Index.
  - b) Contribution to Mission and Purposes - Contributions to the achievement of institutional mission and purposes as defined in MSU Policy Manual, M100.7.
  - c) Faculty promotion in rank - tenured or tenure-track faculty receiving a promotion in rank as follows will receive the following salary increases respectively:
    - i) Instructor to assistant professor status - salary increase of \$1,000
    - ii) Assistant professor to associate professor status – salary increase of \$1,500
    - iii) Associate professor to full professor status – salary increase of \$2,000  
This increase becomes a part of the employee's base salary and will take effect in the next budget cycle.
  - d) Faculty tenure approval – tenure-track faculty receiving approval for tenure status by the Tenure, Promotions & Awards Committee and State board of Higher Education will not receive a salary increase.
  - e) Achievement of degrees or industry-recognized certifications - Tenured or tenure-track faculty who complete a terminal degree in their field will receive a base salary increase of \$1,000 as a part of the employee's base salary. Faculty or staff who complete academic degrees or industry-recognized certifications may receive a base salary increase to be determined by the supervisor and vice president according to the circumstances. Any such base increases would take effect in the next budget cycle.
- 2) Terms that apply to adjustments that may be made either during the year or through the annual salary adjustment process:
  - a) Post-probationary adjustments for banded staff - Following successful completion of an initial probationary period, an employee is eligible for a salary increase up to 5%. Percentage is determined at the time of hire. The employee's supervisor (NDUS Human Resource Policy Manual 5.1.2) completes a review form.
  - b) Band adjustments for banded staff may result in a change in salary (NDUS Human Resource Policy Manual 5.1.4).

- c) Adjustments for changes in position - an employee who moves from one position to another with higher pay must be paid at least the minimum of the new pay range. Employees with a current salary in excess of the minimum for the new pay range may still receive a pay increase depending on availability of funds, consideration of internal equity, or other factors. A change in position with the same band is not eligible for an increase without written documentation of increased level of responsibility. A change in position may result in a salary reduction, even though no change in job band or family occurs (NDUS Human Resource Policy Manual 5.1.5). Non-banded staff may receive a salary adjustment consistent with changes in responsibility and subject to considerations of availability of funds, internal equity, and other factors, subject to approval of the appropriate supervisor, vice president, and the president.
  - d) Workload adjustments - documented reassignment or changes in duties/responsibilities may be initiated with approval of the appropriate vice president and the president. Such adjustments must be independent of the process of band adjustment and may not be used to justify a band change salary adjustment (NDUS Human Resource Policy Manual 5.1.3). Adjustments for interim appointments and administrative assignments are limited to the period for which the assignments are made and do not become part of the salary base. Salary adjustments for banded interim appointments are subject to NDUS Human Resource Policy Manual 5.1.7.
  - e) Internal equity - a comparison of salaries for similar positions at MSU with consideration of previous related experience, sustained changes in workload, education, or responsibilities of the position. Internal equity adjustments become part of an employee's base salary.
  - f) Market or external equity - a comparison of MSU salaries with those of other institutions or employers. National and regional data may be used. Market or external equity adjustments become part of an employee's base salary. Typically, market considerations are part of the initial salary offer within the context of the campus salary structure. Market adjustments should be part of a campus-wide salary recommendation rather than a justification for increasing the salary of a single employee.
  - g) One-time payments - payment made to an individual when supervisor, Human Resources, and relevant vice president agree that the individual has made a contribution deserving of financial recognition on a one-time basis, not to be included in the individual's base salary.
- 3) Part-time employees -
- a) Temporary - Temporary employees are not eligible for annual salary increases. They may be eligible for other salary increases.
  - b) Regular - Regular employees are those who receive fringe benefits. They are eligible for both annual and other salary increases in accordance with relevant policies and procedures.

**Reviewed: Fall, 2008**

**Sponsor: President**