PRIORITY: HIGH

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TO: **Deans and Unit Managers**

FROM: **Provost and Executive Vice President Baker** /s/Doug Baker

Vice President for Finance and Administration /s/Nancy Dunn

SUBJECT: **Governor's Early Implementation 3% Change in Employee Compensation (CEC)**

DATE: **January 19, 2006**

In the President's Plan for Renewal issued in February 2005, employee compensation was identified as a top priority. In 2005, employees received a 1% non-recurring bonus, and as you know, we just completed a 4% merit pool program, funded internally in December 2005. We are grateful that Governor Kempthorne and the Joint Finance and Appropriations Committee have also recognized compensation as a priority and (pending legislative approval) awarded an additional 3% average Change in Employee Compensation (CEC), effective January 29, 2006. This is wonderful news for us.

As directed by the appropriation language, the increase shall be based on merit and also authorizes and encourages the university to consider market competitive pay rates when allocating salary increases to address specific occupational inequities.

UI employees employed as of January 15, 2006, are eligible. The range of individual adjustments will be 0% to 10%. Extraordinary circumstances and compelling evidence, consistent with the appropriation language, will allow for larger consideration. All salary adjustments are to be recommended by deans, directors and unit heads to his/her cognizant vice president, the provost or the president.

To meet this effective date, a short turn-around time in the process is imperative:

Action:	**Timeline:**
Distribute CEC Increase Guidelines	**January 19**
Enable Salary Module access for all units	**January 19**
Salary awards submitted	**January 23 (due by 8:00 a.m. Monday)**
Salary awards completed	**January 23 (by close of business)**
Salary increase effective date	**January 29**
Adjusting entries completed (EPAFs)	**February 3**
Salary increases reflected in pay checks	**February 24**

The following process guidelines apply:

- No additional or exceptional adjustments for any employee class are to be made in this process. The distribution of the 3% CEC is the only salary adjustment to be addressed.

- For General Education budgets, a salary allocation amount will be provided by area based upon the FY2006 original budget book base.

- Previously approved temporary increases and labor distribution changes for on-going, permanent employees will need to be re-entered by departments prior to the Electronic Personnel Action Form (EPAF) deadline of February 3 and effective January 30. These temporary increases do not need to be approved again.

- All employees as of January 15, 2006, are to be considered for increases regardless of funding source. For temporary employees (.01 suffix) an EPAF with a January 29 effective date will need to be entered by the department by February 3 in order to be included with the February 24 pay check.

- It is most likely that the next university-wide salary action will be July 1, 2007.

- Final approval of the increases will be made by the Provost, the President or responsible Vice President.

- **Due to the mandated early implementation, no exceptions to the above timelines and guidelines can be allowed for this process.**

Since most permanent employees will be affected by the 3% CEC, salary letters will be issued for continuing employees and will reflect annualized salary levels. Please contact Patty Houle (5-6368) in the Provost's Office or Bev Rhoades (5-6977) in the Budget Office if you have any questions.

cc: President White