

Indiana University
2016-17 Operating Budget

Salary Policy for Fiscal Year 2016-17—All Fund Groups

The salary policy for fiscal year 2016-17 provides guidelines for salary setting that support the objective of optimizing the university's ability to continue to attract and retain outstanding faculty and staff talent, while providing flexibility for funding for strategic initiatives. A focus on faculty salaries is critical. Each unit, however, should also make ample provision for salary increases to key professional staff members and for employees in competitive job markets.

The salary policy is predicated on an overall budget framework without structural deficits.

- A campus (with VPCFO approval) or responsibility center ("RC") (with campus approval) may elect, given its priorities and resource constraints, to set a salary increase pool lower than noted in this policy.
- Each campus and RC average base salary increase pool is limited to 2.5%, for continuing faculty and staff. The pool is to consist of a 1% baseline increase, assuming performance of the employee meets the base level required by the position. In addition, the policy provides for a remaining allocation of **UP TO** 1.5% to cover equity, merit and notable performance, promotion/reclassification, higher level responsibilities and retention.
- The policy provides for an exception for individuals **excluded** from the average for the following **TWO reasons ONLY** (please code for exclusion every funding line with the reason code and calculated amount of the exclusion):
 - a. NTN – Newly-tenured faculty.
 - b. PRO - Faculty receiving promotion in rank or newly named as Distinguished Professors.
- A list of **includable** reason codes is provided below. Please code every funding line with the reason code and calculated amount of the reason. The use of these codes will **NOT** exclude an increase from the salary average increase calculation. Rather, it is important to capture this detail for human resource management:
 - a. EQU – Gender or ethnicity equity increases approved by University Affirmative Action prior to March 14, 2016.
 - b. EQY – Market or other salary equity issues not handled through the normal mid-year increase process and approved by University Human Resources for staff employees.
 - c. ERR – Existing base salary data error; including problem with CSF tracker.
 - d. FYS – Fiscal year supplement (bi-weekly staff above the maximum salary range)
 - e. HLR – Employee assigned significant higher-level responsibilities within the same rank. The use of HLR requires the approval of the school/department management and University Human Resources. HLR increases may not exceed the top of the associated salary range maximum and may not increase the salary of the recipient to a level that creates an internal salary equity or salary compression issue.
 - f. INS – Insufficient Funds.
 - g. INT – Employee salary increases mandated by the Department of Labor.
 - h. LTS – Limited Term Staff appointments.
 - i. MID – Employee received a mid-year approval for a salary increase.
 - j. MYR - Written agreements completed prior to March 14, 2016 that include a salary increase for FY 2016-17. Please send a copy of the individual's contract.
 - k. NEW – New hire.
 - l. PER – Performance.
 - m. RCL - Staff either (a) reclassified to a higher rank, or (b) promoted to a different position of higher rank.

- Salary increases for faculty and professional staff should be based on individually determined merit and performance. In this regard, please provide Joan Hagen (jhagen@iu.edu) with a brief summary of your campus' salary-setting strategies and indicate how the strategies align with the goals of Indiana University. An important element in these strategies should be a focus on the distribution of salary increases, particularly for faculty, to show that available dollars are not being spread evenly across all salary lines. University priorities should be addressed in salary decisions, subject to resource availability and, for professional staff, to established salary structures.
- Wage increases for Support and Service Staff not covered by a union are to be based on merit and performance.
- The minimum wage rate for all benefits eligible support and service staff will be \$10.15 per hour. Minimum wage for all temporary hourly employees will be increased to \$10.15 per hour.

Because the salary policy does not hold individual professional staff salaries to a certain percentage increase, it is anticipated that the need for midyear salary adjustments will be minimal during 2016-17. It is expected that the following types of salary increases will be limited to budget construction:

- Merit increases
- Reclassifications (RCL) that result in a **gradual** increase in complexity and scope within the current position number that still might result in a change in a level, job family, or job code
- Higher level responsibilities (HLR)
- Market comparisons – both internal and external (EQY)

There are situations that arise outside of budget construction that might warrant an out-of-budget construction adjustment. These include:

- Internal recruitment that results in a change in position number
- Reclassification (RCL) where significant duties are added such that the scope and complexity of the position are **notably and essentially different**, resulting in a change in level, job family, or job code
- Legal requirements such as Visas (H1B)
- Equity Affirmative Action (EQU)
- Counter offers

Some schools and units experience more out-of-budget construction adjustments than others. These are encouraged to set aside an additional reserve to meet these salary adjustments and reclassification requests.

The lack of a percentage maximum does not guarantee campus or university approval of proposed salary increases. Units must be able to justify large salary increases, no salary increase, or salary decreases for individual employees. All salary increases should be covered by existing unit budgets. Resulting salaries should be commensurate with those of similar job ranking across the university.

The salary increase pools for employees represented by unions will provide for an overall average of 2%.

As always, please do not share salary recommendations with employees prior to Trustee approval of the FY16-17 budget.