

December 11, 2001

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Re: Decentralization of the Staff Salary Budget and Interim Program

The Chancellor has announced his plan to decentralize staff salary budgets on the Berkeley campus effective July 1, 2002. Staff salary budget decentralization will allow control units to manage staff resources more fully and will provide maximum flexibility to meet staff salary priorities within the limitations of the current budget situation. To facilitate implementation of this policy within the Executive Vice Chancellor and Provost (EVCP) control unit, I am delegating management of the staff salary budget to you. This authority may not be further delegated without my prior approval.

Salary budgets for staff positions will be distributed to the school, college or division level as follows: units will receive funding at the incumbent's salary level for all filled positions and at the July 1, 2001 position value for all unfilled positions. The value of unfilled positions will be further adjusted to reflect the October 2001 range adjustment or, if applicable, the merit increase of the previous incumbent. Once decentralization has occurred, you will retain all downgrading savings from positions, but will be required to fund any upgrading costs. From a funding standpoint, this system should be self-sustaining. Under earlier models where salary-setting was centralized at the campus level, the salary pool balanced at year-end. We expect that by assigning management of the salary budget to the same level that is responsible for salary-setting, units will be able to balance their savings and expenses. The Campus Budget Office and the Office of Human Resources will provide training on program management this winter and spring.

As an interim measure for the period between December 1, 2001 and June 30, 2002, units are being asked to assume a share of the cost of providing increases for staff salary actions. With the decentralization of salary budgets in July, all permanent funding provided towards these expenses will remain with your unit. The interim plan will be applied to budgeted positions paid on central funds as follows:

Hiring Actions & Staffing List Maintenance (new hires, promotions, linking current employees to open provisions). The central campus will only provide funding for salaries up to the midpoint for positions in open ranges or to step 3 for those in step-based programs. If a starting salary for a new hire, promotion, or lateral increase is set above the midpoint or step 3 or if the current salary of the employee to be linked is above the midpoint or step 3, *resources within your unit must be used to permanently fund the difference.* This policy is effective immediately and remains in place until July 1, 2002 when it will be superseded by full decentralization of salary budgets.

Reclassifications and Equity Increases. Salary increases for these actions will need to be permanently funded from resources within schools, colleges and divisions. Permanent funding for reclassification and equity increases should be identified by BFS chart-string at the time the request is submitted to the Office of Human Resources and noted in the request transmittal. Requests should be signed or endorsed by an individual who is able to authorize the permanent funding commitment. Units may not create permanent budget deficits to fund salary increases. Please note that management may control, within contractual limits, the resulting salary of a reclassified position, but the salary must be at least at the minimum of the new salary range.

Please stress to your units that positions at UC Berkeley should be classified correctly. If management believes that a position is functioning at a higher level than the current classification, a reclassification request should be submitted to the Office of Human Resources. Management control over classification is by assignment of duties, not by withholding reclassification requests. The Office of Human Resources is available for consultation on these issues.

Pending requests for reclassification and equity increases received in the Office of Human Resources through **November 30, 2001** will not be subject to these allocation controls, and will be funded centrally.

While these funding changes relate primarily to centrally funded positions, it is the policy of this campus that employees be treated equitably, regardless of whether they are in a centrally funded or other funded (contracts & grants, endowments, recharge, etc.) position. Moreover, all personnel actions will be taken in compliance with contractual obligations.

A list of Frequently Asked Questions is attached. Some of these are general questions that you may wish to redistribute to all employees, while others address specific technical issues and are intended for those staff who manage the salary budget using the Permanent Resource Tracking system. If you have questions regarding human resources policies or salary-setting and equity issues, please contact the Office of Human Resources. Questions regarding salary budget or permanent budgetary resources should be referred to the Campus Budget Office.

Paul R. Gray
Executive Vice Chancellor and Provost

Attachment

cc: Assistant Vice Chancellor Russell Giambelluca
Assistant Vice Chancellor David Moers
Chief Administrative Officers (via email)