

**FUNDING STAFF SALARY ACTIONS FOR
BUDGETED POSITIONS ON CENTRAL FUNDS
-EVCP UNITS-**

(Hires, Promotions, Reclassifications, Equity Increases, Position Maintenance in Budget System)

**SALARY BUDGET DECENTRALIZATION
July 1, 2003 forward**

Questions and Answers

Q Why is the salary budget being decentralized?

A The Compensation Advisory Committee recommended that management authority for compensation and the salary budget be delegated to the lowest reasonable level of the organization. In EVCP, this is being delegated to vice provosts, deans and directors of the schools, colleges and divisions. Ultimately, this provides units with the greatest flexibility in managing their resources.

Q What does decentralization of the salary budget mean? What resources are being decentralized?

A When budgeted positions on central funds are vacated, funding for the difference between the incumbent's salary and the position provision level (25th percentile of the range or step 1) returns to the upgrading/downgrading pool to fund other salary actions. This funding will now be managed by schools, colleges and divisions.

Q Does this funding policy apply to all positions on all fund sources?

A Only budgeted positions on central funds (19900, 07427, 20000, 20095, & 69750) have been eligible for central campus funding. Increases for positions paid on all other funds have always been self-funded. However, departments will be expected to treat employees equitably regardless of funding source.

Q Is funding for benefits also being decentralized?

A No. Benefits funding for centrally funded positions will continue to be provided and administered by the campus.

Q How does the decentralized salary budget impact salary-setting authorities?

A There is no change to the delegation of salary-setting authorities in EVCP.

Q Since central funds will not be provided for these personnel actions, how can they be funded?

A Funding for these salary increases must come from school, college, division, or department fund sources.

- Q** If my unit establishes a new position in the Position Resource Tracking (PRT) system, at what level do we need to fund it?
- A** Positions should be established at the provision level (25th percentile of the range or step 1).
- Q** Is the permanent budget different than the appropriations shown on the BAIRS reports?
- A** Yes. The appropriations on your BAIRS GL and Tempbud reports include the July 1 Adjusted budget appropriations, temporary appropriations, and reappropriated balances and carry forward balances from previous fiscal years. While the July 1 Adjusted budget entries represent your permanent budget balances at the beginning of each year, the permanent budget (PERMBUDG) is managed separately. Run the Permbudg Balance and the Position Balance reports in BAIRS to see your permanent budget balances. If you have any questions about the permanent budget, you should contact the budget analyst for your department, school, division or control unit. Your Budget Office analyst can be found at (<http://www.chance.berkeley.edu:80/budget/CONTACT%20LIST.htm>).
- Q** Do we have to reduce the number of reclassification requests?
- A** The number of reclassifications does not necessarily have to be reduced. Positions should continue to be classified based upon assigned duties and responsibilities. However, salary increases resulting from those reclassifications will no longer be covered by central funds.
- Q** Do we have to reduce the number of equity increases?
- A** With the decentralization of the salary budget, central funds for equity increases are no longer available. Schools, colleges, divisions or departments must pay for equity increases approved by the Office of Human Resources out of their permanent salary budget or other permanent fund sources.
- Q** Who approves reclassifications?
- A** Approval authority has not changed. The Vice Chancellors approve MSP reclassifications and the Office of Human Resources approves all other staff reclassifications.
- Q** What if I have duties that need to be assigned to an employee that may result in a higher classification level, but I have no permanent funding to pay for a reclassification?
- A** Consider redistributing work assignments within your unit so that the higher-level duties are given to an employee already at the same or higher classification level. If the duties would not be a permanent assignment and you have some temporary funding, you could consider temporary assignment of the work and request approval from the Office of Human Resources to provide a stipend or a temporary reclassification to the employee.
- Q** If an employee's position is reclassified to a position with a salary range that has a higher starting salary than the previous position and there are no funds available, does that mean the employee may not get a salary increase?

A There is no requirement that a salary increase accompany a reclassification, except for two situations. (1) When an employee's position has been reclassified, the resulting salary must be at least at the minimum of the new salary range. (2) Some bargaining agreements require a specific salary increase upon reclassification. The provisions of these agreements will be observed.

Q Who approves special salary actions (i.e., salary increases over the midpoint, over 25% increase within a fiscal year, equity increases)?

A The delegated authority for salary setting is through the salary range up to a maximum of 25% over an employee's June 30th salary. Requests for increases that would exceed the 25% fiscal year limit should be forwarded to Jeanene Greer who will coordinate the process (over 25% increases require approval by the Chancellor). Salary setting on actions such as new hires, promotions, approved reclassifications, equity increases, and temporary reclassifications where the resultant salary exceeds the midpoint or Step 3 need to be done in consultation with OHR. Human Resources must also be consulted on salary setting for all staff stipends.

Q Where can I get more information about salary funding?

A Call your compensation analyst or Jeanene Greer (3-0236) for information about authorizations for setting salary levels. See the HR web site (<http://hrweb.berkeley.edu>) for information about compensation, personnel policies, and bargaining agreement provisions. Contact your Budget Coordinator in the Campus Budget Office for questions regarding the Position Resource Tracking (PRT) system or the permanent budget. Budget Office analysts are listed at (<http://www.chance.berkeley.edu:80/budget/CONTACT%20LIST.htm>).