The General Assembly recently passed the new fiscal year budget for 2010/2011. As a result, the Office of State Personnel (OSP) and UNC General Administration (GA) have issued specific guidelines that allow salary increases for SPA and EPA Non-Faculty employees using state and/or non-state funds under certain circumstances based on the final state budget. This memo provides guidance and procedural information for processing salary increases for University SPA and EPA Non-Faculty employees. Faculty guidelines will be separately issued by the Office of the Executive Vice Chancellor and Provost.

Although the new FY 2010-11 budget allows greater flexibility for providing increases to our staff, any proposed salary increases should be considered with the understanding that our budget for this fiscal year remains highly challenged and the forecast is that next year will be very difficult as well. Given these circumstances and the fact that our fiscal practices will be under considerable scrutiny by multiple external entities including OSP, GA, the Office of State Budget and Management (OSBM) and the State Legislature, maximum care and caution should be exercised when proposing increases to ensure the amounts are proportionate and have a clearly articulated and defensible basis.

Salary increases for SPA and EPA non-faculty employees may be granted under the following specific circumstances:

**Permissible Salary Increases From Any Funding Source (State or Non-State Funds)**
* An employee who has significant and newly increased job duties or responsibilities.
* An employee who changes jobs and has different and higher-level duties. (e.g., promotion)
* SPA only: An employee who is classified to a higher-level branch and/or competency (e.g., reclassification) or has a documented increase in position competency level or employee competency level in accord with SPA career banding guidelines.

**Permissible Salary Increases Using Non-State Funds Only**
* Retention of an existing employee with documentation by the Department Head of an offer of employment from an external entity.
* Consistent with faculty salary increase procedures for FY 2010-2011, we will not consider the use of non-state funds for salary increases related to internal equity or external labor market concerns at this time. The procedures to implement these increases are outlined below. Thank you for your thoughtful attention and for your judicious use of the flexibility described herein.

**EPA Salary Increase Procedures**
While we will not be conducting a normal annual raise process this year for EPA non-faculty employees due to the lack of any state appropriated salary increase funds, the following procedures have been established to provide for an orderly method of processing increases which meet the permissible exceptions outlined in this memorandum.

* Any salary increase effective 7/1/2010 meeting the limited exceptions described in this memo and where the proposed increase is $10,000 AND 15% or greater of the last June 30th base salary must be approved by the Board of Governors (BOG) prior to being implemented. Such proposed actions must have an EPAWeb Salary/FTE action with an attached "Personnel Action Requiring Approval of the Board of Governors" form so that the action arrives in the EPA Non-Faculty HR Office no later than noon on August 23, 2010. EPAWeb actions requiring BOG approval will be held until such approval is received.

* All salary increases proposed effective 7/1/2010 meeting the limited exceptions described in this memo that do not require BOG approval must be processed through EPAWeb in time to be approved by OHR on or before the September 15, 2010 payroll. Such actions already submitted and received by OHR with 7/1/2010 effective dates will be processed without further action by the submitting department.

* All salary increases with proposed effective dates after 7/1/2010 (or which do not meet the above deadlines) and meeting the limited exceptions described in this memo will utilize the normal EPA non-faculty "out-of-cycle" salary increase process which is contained in the EPA Non-Faculty Human Resources Policies on the OHR web site.

SPA Salary Increase Procedures

There is no automatic legislative increase (LI) process this year. Any proposed SPA salary increase meeting the limited exceptions described in this memo must be requested using the regular "SPA Salary Recommendation" form which is available from the Forms Finder section of the OHR website under "Career Banding Forms." Proposed SPA increases should be done on a current basis and are not to be retroactive. Departments are reminded of the following SPA salary increase approval procedures:

* Salary increases where the new salary will result in an increase of 20% or greater and at least $7,500 of the employee's last June 30 annualized salary require direct signature approval of the relevant Dean or Vice Chancellor in addition to the Vice Chancellor for Human Resources or her designee.

* Any salary increase which results in a new career banding market index (MI) of 120% or greater require direct signature approval of the relevant Dean or Vice Chancellor in addition to the Vice Chancellor for Human Resources or her designee.

* In addition to these internal approvals, all SPA salary increases of 20% or greater also require review and approval by OSP. So in these cases, Departments should expect a longer approval timeline than normal.

Contacts for Additional Questions

If you have questions regarding proposed increases for EPA non-faculty employees, please contact your Dean/Division Human Resources office or OHR EPA Non-Faculty Human Resources at 962-2897.
Questions regarding proposed SPA salary increases should be directed to your Dean/Division Human Resources office or your department's assigned OHR Classification and Compensation Consultant. You can identify your assigned OHR Consultant by using the HR Connect Tool (http://hrconnect.unc.edu/public/search-main.cfm) or by calling 843-2300.

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