



## Policy

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SALARY ADMINISTRATION POLICY, FACULTY AND STAFF  
EFFECTIVE DATE: NOVEMBER 2018      REVIEWED: MAY 2020

FS.701.1

### **Policy**

The objectives of this salary administration policy are to provide an equitable and unbiased means of compensating all employees, to enhance the recruitment and retention of qualified faculty and staff, and to promote excellence in performance of all personnel. Additionally, this salary administration policy aims to:

- Acknowledge the basic financial needs of all employees.
- Recognize different performance levels among employees.
- Be responsive to internal inequities.
- Be responsive to market influences.

Those involved in the salary administration process will strive to make decisions fairly and to use the institution's limited resources most effectively.

### **Definitions**

**Entitlements** are those salary increases mandated by legislation or NDUS policy.

**Cost of living adjustment** refers to salary increases given to all employees to offset increases in the consumer price index.

**Equity** refers to salary increases designed to reduce or eliminate salary differentials that are unexplained by qualifications, experience, or performance.

**Merit (performance)** refers to salary increases awarded for extraordinary performance.

**Market** refers to salary increases required to be competitive in the recruitment and retention of qualified faculty and staff.

**Responsibility adjustment** is related to an expansion of the level of duties and responsibilities.

### **Methods and Guidelines**

Following are principles considered when making salary adjustment decisions:

- Staff salary decisions will be made in accordance with section five of the North Dakota State University System Human Resource Policy Manual.
- The ability to make salary adjustment decisions at the campus level depends on legislative action and SBHE guidelines. In some years, the decision-makers will have little or no ability to exercise discretion with salary allocation.

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- Each division head is responsible for compiling the appropriate documentation to support salary increases granted within his/her division. Documentation is not required for entitlements.
  - Entitlements are mandated by legislation and the distribution is made in accordance with guidelines established by the SBHE.
  - Cost of living adjustments (COLA) are defined as across the board increases in the form of a percentage or flat dollar amount (e.g. 3% and/or \$600).
  - Equity adjustments shall be based on documented internal inequities that cannot be explained by differences in qualifications, experience, or performance.
  - Market adjustments shall be documented and based on appropriate local or state wage and salary survey data. High turnover or inability to recruit for the position can also support adjustments.
  - Benefited employees who have not completed their initial probationary period by the beginning of a new fiscal year are not entitled to standard salary adjustments. However, upon completion of a satisfactory evaluation at the close of the probationary period, the employee is entitled to the cost of living adjustments (if any) granted to benefited employees on July 1<sup>st</sup> of the current fiscal year. The effective date of the increase is the 1<sup>st</sup> of the month following the end of the probationary period. The amount of the increase will be adjusted based on the remaining balance of the fiscal year. For example, if the COLA is \$600 for the fiscal year and the employee's effective date is January 1<sup>st</sup>, the employee's contract will be adjusted by \$300 (50%). It is the responsibility of the employee's supervisor to notify the Business Office of the date the employee successfully completed the probationary period.

The Business Manager provides the Campus Dean, and then the Dean's Council, relevant information from the North Dakota Legislature and the SBHE.

- The Campus Dean, in consultation with the Dean's Council, defines the priority needs of the institution and also determines guidelines for distribution of the dollars available for salary adjustments.
- After priorities are determined, the information is given to the Faculty Senate and Staff Senate salary committees for review.
- The Staff Senate and Faculty Senate salary committees will make recommendations to their division heads before any salary adjustments—beyond mandated adjustments—are made. The administration will provide the committees information about the money available for adjustments for their respective groups.
- The Dean's Council will consider the salary committees' advice and make recommendations to the Campus Dean regarding salary adjustments.

### **Process or Other Salary Adjustments**

Other salary adjustments include degree and responsibility changes that are properly documented and approved by the Campus Dean.

- Adjustments may be granted for obtaining a master or doctoral degree. The amount will be added to the base in the subsequent employment contract. The amount will be prorated in the current employment contract based on the date of completion of the advanced degree.
- Responsibility adjustments can be given based on substantial, documented reassignments or changes in the duties/responsibilities assigned to a position. For staff employees, documentation for the adjustment must include a revised position description and changes in the band and/or job family.

**Process for Impartial Review of Salary Adjustment Decisions**

Current grievance policies are available as a means to provide an impartial review of a salary adjustment decision. An employee who thinks that the decision concerning his/her salary is inappropriate may request a review as follows:

**Staff:** NDUS Human Resource Policy Manual, Section 28, Grievance Procedures.

**Faculty:** NDUS Policy Manual, Section 612, Grievances. This grievance procedure is available to full-time faculty.

A copy of the annual budget is placed in the Library.