

APPROVAL OF INSTITUTIONAL SALARY INCREASES

Policy 26, *Salary Policy*, provides:

- 2.1 Each year, or from time to time as deemed appropriate, the President shall present to the Board a plan for the distribution of general salary increases to employees of the University. This plan shall address increases for all employees other than the President.
- 2.2 The general salary increase plan shall be developed after state-wide salary mandates have been accounted for. Statewide salary mandates shall include salary increases for faculty promoted in rank and required incremental funding of the classified employee 'entry rate', if applicable.
- 2.3 After the cost of state-wide salary mandates has been separately accounted for, the President's general salary increase plan shall be submitted to the Board for approval.
 - 2.3.1 The plan shall reflect separately the total projected costs of aggregate salary increases for faculty, for non-classified employees, and for classified employees.
 - 2.3.2 The plan shall reflect the aggregate percentage increase in salary to be paid to faculty, non-classified, and classified employees.
 - 2.3.3 The percentage of aggregate increase in salary for each of the three groups of employees shall be comparable, but not necessarily equivalent; provided, that the President may present in the plan a proposal for non-comparable percentage increases among the three groups, for good cause shown.
- 2.4 The Board shall act, in response to the plan submitted, to establish the aggregate dollars to be allocated each year for general salary increases for each of the three groups of employees. The aggregate increase in dollars shall be distributed in accordance with Sections 3, 4 and 5 of this Policy.

For the October 1, 2007 raises, the University has proceeded in its budget-planning with a goal of achieving full funding of the classified employee salary scale. Last fall the University funded 96% of the salary scale.

Consistent with our prior practice, new faculty with start-dates on or after July 1, 2007 would not be eligible for the October salary increases (this also includes those faculty who are beginning new tenure-track contractual status, unless they qualified last year for faculty merit pay). Comparably, new non-classified employees with start-dates on or after July 1, 2007 will not be eligible for salary increases. For classified employees, "years of experience" for funding on the salary schedule is calculated on a July 1 basis, and an employee must have worked at least 9

months to gain a year of experience credit. Therefore, new classified employees whose start date is after October 16, 2006 will not be eligible for a salary increase because they did not accumulate a year of experience-credit as of July 1. These new classified employees are already receiving full funding of the entry rate for their classification.

There were no faculty promotions this year, so there is no impact from the provisions of Section 2.2 this year.

The aggregate expense of moving all classified employees to full funding of the salary schedule is \$272,609.06. This is 5.6% of the current aggregate salaries of the raise-eligible classified employees. Applying the same aggregate percentage to the aggregate salaries of the raise-eligible faculty and non-classified employees, aggregate increase for faculty will be \$345,487.46 and for non-classified staff it will be \$199,849.34. These amounts are consistent with the prior budget planning for FY'08 salary increases and allow the University to make a substantial improvement in our salary competitiveness.

The following resolution is recommended for adoption by the Board:

RESOLVED, That the Shepherd University Board of Governors approves and ratifies the salary allocations as presented in the agenda book of August 15, 2007.