

APPROVAL OF 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 noncomparable 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.

Prior to September, Shepherd University had developed a tentative plan to budget for an aggregate salary increase of 5%, which translates to approximately \$575,000. On September 19, in the Special Legislative Session, the Governor and Legislature provided a supplemental appropriation of approximately \$80,000. The funds were required to be used for salary increases, which were to be effective November 1, 2005. In order to make salary increases effective November 1, the State Budget Office required all of the paperwork for raising the individual salaries to be submitted to the Capitol by October 3, 2005. It therefore became impossible to submit a salary plan to the Board in advance of submitting the required salary increase paperwork. However, the institution can make additional changes if so directed by the Board.

For November 1, the University has proceeded with the 5% aggregate increase originally targeted. There were nine faculty promotions this year, which yields a 10% salary increase from the general raise pool (roughly \$5000 per faculty). On July 1, 65 classified employees received full funding of the salary schedule entry rate (zero step), per the mandates of the HEPC, at an additional cost of approximately \$76,000. This left the raise pool for each of the three employee categories at 4.09%.

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 October 13, 2005.