TO: Vice Presidents, Associate and Assistant Vice Presidents, Associate and Assistant Provosts, Deans, Directors, and Department Heads

FROM: Bruce Edwards


Budget Salary Recommendation Forms (Forms 901) for your administrative location are available today. These forms reflect your budget data as contained in the BPP Payroll database on July 12, 2006 and should be used to submit your salary recommendations for FY2007.

All salary increases (equity adjustments, promotions, merit increases, etc.) should be entered on-line into the BPP Prep Budget. (Please contact Damon Wallace in Payroll Services (845-2711) for authorization to electronically submit your salary recommendations.) Those forms requiring data entry should be completed, signed and returned to the Office of Budgeting and Analytical Services (OBAS), MS 1183 or Rudder Tower Room 305B, by July 28, 2006. Departments entering data electronically must submit signed forms to OBAS (MS1183) by August 8, 2006.

Updated electronic forms will be e-mailed by request upon completion of BPP Prep Entry. E-Mail Mary DuBuisson (maryd@tamu.edu) for an updated report. Account administrators should immediately verify salary recommendations previously submitted on Forms 901 and make any required corrections.

Merit Increases

A merit increase is defined as an increase in salary for work performed that meets or exceeds the basic expectations of the job, but is not associated with a promotion or a change in job title resulting from a demonstrable, substantive change in job duties. Performance must be documented by an evaluation that has been conducted in accordance with University policy. Recommended individual increases exceeding ten percent (10%) require approval of the appropriate Vice President. A merit increase may be awarded if an employee has been employed for the six months immediately preceding the effective date of the merit salary increase, and six months have elapsed since the employee’s last merit salary increase or lump sum merit payment (See System Rule 31.01.08, Merit Salary Increases, for further information).
a. Faculty Merit Increases

For FY 2007, merit increases for faculty should not exceed an aggregate average of 3% for each college (excluding promotions and equity increases) of the Budgeted Faculty positions that are eligible for merit raises as defined above. Exceptions to this rule will require prior written approval of the Executive Vice President and Provost. In order to support these increases, an allocation of 3% of the FY 2006 faculty salary budget (Educational & General, Designated Tuition, Enhancement Fee and AUF funds only) has been allocated to each unit. The Dean of each college may have set aside a portion of the faculty merit pool to address special needs such as salary compression, salary inequities, and retention.

b. Staff Merit Increases

For FY 2007, merit increases for staff should not exceed an aggregate average of 3% for each college or division (excluding promotions, equity or pay plan adjustments) of the Budgeted Non-Faculty positions that are eligible for merit raises as defined above. Exceptions to this rule will require prior written approval of the President. In order to assist in funding these increases, an allocation of 3% of the FY 2006 non-faculty salary budget (Educational & General, Designated Tuition, Enhancement Fee and AUF funds only) has been allocated to each unit.

Equity Adjustments

In some cases, equity adjustments may be necessary to address gender and ethnic disparities, internal salary compression or high external demand for both faculty and staff. These should be made from existing funds available to the department, including a portion of the merit pool mentioned above. All equity adjustment requests must be supported by strong evidence of necessity. Equity adjustments must have Vice President (or equivalent) approval in advance, must be sustainable in future years, and should be made effective no earlier than September 1, 2006.

Faculty Promotions

Funds have been provided for salary increases for promotions in faculty rank based on 5% of the current 9-month salary of the individuals being promoted. Colleges may supplement these funds from internal sources.

Classified Pay Plan

Please refer to the Human Resources website at http://hr.tamu.edu/classification/ for pay plan changes effective September 1, 2006. The minimum rate for classified positions has been increased from $7.77 to $8.03. Please refer to the link above for specific rate changes by title. Departments must assure that minimum rates are adhered to for all classified positions as of September 1, 2006. To minimize wage compression that can occur when minimum rates are increased, departments should consider the use of equity or merit adjustments as appropriate. Allocations for increases to the new minimum rates will be provided to units for individuals affected by pay plan changes who are paid from Educational & General, Designated Tuition, Enhancement Fee and AUF funds only.

Other

a. New Positions and Title Changes for Existing Non-Faculty Positions

New positions (including title changes for existing non-faculty positions) must be approved in advance and must be funded within existing allocations. If the position has not received final approval, it should be budgeted in the appropriate Unallocated Salaries category. Please be aware that the University is subject to a faculty and staff FTE cap set by the 79th legislature. New position requests will be reviewed by Employee Services and will only be allowed to the extent the University has capacity within the mandated FTE cap. Therefore, before assuming a new position may be added, it is recommended that you check with Employee Services or the Office of Budgeting and Analytical Services on the current status of the FTE cap.
1) **Non-classified**
   With the exception of faculty positions, new positions (including title changes to current positions) must be approved through normal administrative procedures prior to being budgeted.

2) **Classified**
   Current classified positions may be reclassified, and new classified positions added to the budget, only after the appropriate approval document or electronic approval has been issued by Employee Services.

b. **Longevity Pay**
   1) Longevity Pay for accounts funded from General Revenue (12xxxx through 16xxxx) will be budgeted in a special account to be centrally administered and no action is required.

   2) Sufficient amounts should be budgeted to cover the estimated fiscal year’s expenditures in the lump sum item *Longevity Pay* in each salary paying account in the following fund groups:
      - Service Departments and Designated Funds (2xxxxx)
      - Auxiliary Enterprises (3xxxxx)
      - Restricted Funds (4xxxxx and 5xxxxx)

   3) Longevity pay shall be paid to eligible employees at the rate of $20 per month for each two years of lifetime service credit.

c. **Legislation Affecting New Retirees**
   As a result of legislation passed by the 79th Legislature, the new employment on or after September 1, 2005, of any retirees subject to the Teacher Retirement System (TRS) program requires the employer to fund the cost of BOTH the employee and employer retirement contribution amounts. The hiring department will be required to fund these expenses. This increased employer cost does not apply to TRS retirees employed before September 1, 2005, or Optional Retirement Program (ORP) retirees.

**Forms 901**

Please check each position for accuracy of data and entry errors. Enter salary recommendations and any necessary data changes to positions (occupant, sources, job title, percent effort, elimination, etc.). All salary recommendations with more than one salary source should be coordinated with all other account administrators involved. For further information, refer to the Budget Guideline letter dated May 19, 2006. Written evidence of prior approval must be submitted with Forms 901 in order for new positions and title changes to be processed.

Salary recommendations must be entered directly into BPP Prep Budget (Note: The signed paper copy of the Forms 901 or an equivalent spreadsheet must still be routed through the appropriate Vice President). For more information or to schedule a training session, contact Damon Wallace at Payroll Services 5-2711.

BPP will send an automatic update into the FAMIS Budget Module every Tuesday and Thursday evening. **Note that the first BPP feed into FAMIS will not occur until July 19th.** In order to maintain proper internal control, all data entered should be reviewed, after the fact, by the department head or their designee. All administrators involved in the preparation and approval process should sign the first page of each form. The signed form confirms that a current performance evaluation supporting salary recommendations has been conducted on each employee and a copy is in the official personnel file.

Completed and signed Forms 901 should be returned to the Office of Budgeting and Analytical Services, MS1183 or Rudder Tower Room 305B by:

- **July 28, 2006**   Forms requiring data entry. Submit with cover note “Entry Required”.
- **August 8, 2006**   Forms electronically submitted. Submit with cover note “Entry Completed”.
Review

After completion of the Forms 901 recommendation entry into BPP, the resulting salary information will be transferred into the FAMIS budget system. Budget category totals within each account will be adjusted automatically in order to remain within original budget allocations. This process may result in negative category totals for some accounts or other situations where corrective action will be required.

Departments will be notified if additional corrections are necessary. Budget entries on September 1, 2006 will be made according to this final data.

Contacts

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<thead>
<tr>
<th>Name</th>
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<th>Phone</th>
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<tbody>
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http://budget.tamu.edu/