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

FROM: K. Sue Redman

SUBJECT: 2005-2006 Salary Recommendation Process – Forms 901

Budget Salary Recommendation Forms 901 for your administrative location are available today. These forms, which reflect your budget data as contained in the BPP Payroll database on July 15, 2005, should be used to submit your salary recommendations for FY2006.

All salary increases (equity adjustments, promotions, merit increases, etc.) should be entered on-line into the BPP Prep Budget. Please contact Danny Grimes in Payroll Services (845-2711) for authorization to electronically submit your salary recommendations. **Completed and signed Forms 901 requiring data entry should be returned the Office of Budgeting and Analytical Services (OBAS), MS 1183, Rudder Tower Room 305B, by July 29, 2005. Departments entering data electronically must submit signed forms to OBAS (MS1183) by August 9, 2005.**

Updated Forms 901 will be distributed August 8, 2005. Account administrators should immediately verify salary recommendations previously submitted on Forms 901 and notify OBAS of any required corrections.

**Merit Increases**

A merit increase is defined as an increase in salary for work performed beyond the basic expectations of the job, but not associated with a promotion or a change in job title resulting from a demonstrable, substantive change in job duties. **Meritorious performance must be documented by a performance 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**

Faculty salary increases, by law, must be awarded on a merit basis. For FY 2006, merit increases for faculty should not exceed an aggregate average of 2.82% 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 2.82% of the FY 2005 E&G faculty salary budget (including Designated Tuition and Enhancement Fees) has been allocated to each unit.

b. **Staff Merit Increases**

For FY 2006, merit increases for staff should not exceed an aggregate average of 2.82% for each college or division (excluding promotions, equity or pay plan adjustments) of the 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 support these increases, an allocation of 2.82% of the FY 2005 E&G non-faculty salary budget (including Designated Tuition and Enhancement Fees) has been allocated to each unit.

c. **Wage and Benefit Task Force Recommendation**

The available merit pool provided by the University has been reduced by an amount necessary to fund recommendations from the Wage and Benefits Task Force. Departments will be reimbursed during the budget process for the cost of the wage and benefit enhancement in E&G, Designated and Auxiliary funds. Please contact the Office of Budgets and Analytical Services with specific account numbers and funding amounts. Supporting documentation will be required. OBAS will then transfer the amount of required funds needed to cover the increased cost.

**Equity Adjustments**

In some cases, equity adjustments may be required 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, for faculty, part of the merit pool mentioned in the Faculty Merit Increases section above. All equity adjustment requests must be supported by strong evidence of necessity. **All equity adjustments must have Vice President approval in advance and must be sustainable in future years and should be made effective no earlier than September 1, 2005.**

**Faculty Promotions**

Funds have been provided for salary increases for promotions in faculty rank. Colleges may supplement these funds from internal sources.

**Classified Pay Plan**

Please refer to the Human Resources Department Internet homepage at [http://hr.tamu.edu/classification/pay-changes.pdf](http://hr.tamu.edu/classification/pay-changes.pdf) for information that identifies job titles and corresponding minimum salary rates. Departments must ensure that minimum rates are adhered to for all classified positions as of September 1, 2005.
Other

a. New 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.

1) Non-classified
With the exception of faculty positions, new positions (including current position title changes) 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 Position Allocation Notice (PAN) has been issued.

b. New Faculty and Faculty Retention Funds
Colleges have previously received 136xxx funds for new faculty positions and for faculty parity/retention. This year additional funds were allocated in this range. These funds cannot be combined with other E&G funds and must be budgeted in its entirety on faculty salaries.

c. Longevity Pay
Budgeting for Longevity Pay will be handled in the following manner:

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. **Note that this is a change resulting from new legislation passed by the 79th Legislature.**

d. Legislation Affecting New Retirees
As a result of new legislation passed by the 79th Legislature, the employment of any new TRS retirees beginning September 1, 2005, will require 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 retirees currently employed or those employed before September 1, 2005.

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 June 16, 2005. Written evidence of prior approval **must** be submitted with Forms 901 in order for new positions and title changes to be processed.
Salary recommendations may be entered directly into BPP Prep Budget (Note: The signed paper copy of the Form 901 or an equivalent spreadsheet must still be routed through the appropriate Vice President and returned to Payroll Services for verification). For more information or to schedule a training session, contact Danny Grimes 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 Monday, July 25th.** 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.

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

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Submit with cover note</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 29, 2005</td>
<td>Forms requiring data entry.</td>
<td>“Entry Required”</td>
</tr>
<tr>
<td>August 9, 2005</td>
<td>Forms electronically submitted.</td>
<td>“Entry Completed”</td>
</tr>
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</table>

**Review**

While more detailed information will be provided when related forms are distributed in August, the following is a summarized description of the final budget adjustment process; after completion of the Form 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.

To facilitate account review after BPP entry is completed, departments may request updated BPP Forms 901 or FAMIS report FDAR589 (similar to FAMIS screen 599) by emailing their report request to maryd@tamu.edu. On August 8, 2005, a final Form 901 will be distributed for salary verification/correction. **Only incorrect Forms 901 that require data entry should be returned to the Office of Budgeting and Analytical Services, MS1183, Rudder Tower Room 305B, by 5pm on Tuesday, August 9, 2005. Envelopes should be clearly marked “Entry Required”**.

Departments will be notified if additional corrections are necessary. Budget entries on September 1, 2005 will be made according to this final data.

**Contacts**

- Mary DuBuisson VP Finance 845-8145
- John Crawford VP Finance 862-2364
- Mark Herzog VP Finance 862-2371
- Deborah Wright VP Finance 862-1622
- Danny Grimes Payroll Services 845-2711

http://budget.tamu.edu/