

COMPENSATION POLICY & MANUAL

**California State University, Dominguez Hills Toro Auxiliary
Partners**

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INTRODUCTION

This Compensation Policy and Manual contains rules and procedures that will assist management in implementing California State University, Dominguez Hills Toro Auxiliary Partners' (CSUDHTAP) COMPENSATION POLICY, which is to:

Provide externally competitive and internally equitable compensation opportunities to all employees to attract, motivate and retain high caliber individuals who will work together to achieve the organization's objectives.

As a manager with responsibility for Compensation Policy, you should thoroughly familiarize yourself with the contents of this manual. When rules and procedures are revised, added or deleted, you will be provided with new pages for insertion into this manual.

1: COMPENSATION POLICY, OBJECTIVES AND PROGRAM

CSUDHTAP's Compensation Policy is to pay competitive, internally equitable salaries to attract, motivate and retain high caliber personnel who will work together to achieve our organization's objectives.

The primary objectives of CSUDHTAP's Compensation Policy Program are to:

- o Provide externally competitive and internally equitable compensation opportunities to all employees to attract, motivate and retain high caliber individuals who will work together to achieve the organization's objectives;
- o Attract the services of highly qualified, competent employees;
- o Ensure that CSUDHTAP's salaries compare favorably with salaries paid by other organizations that compete with us in the labor market;
- o Provide equitable compensation to each employee, reflective of the duties and responsibilities of his or her position within CSUDHTAP;
- o Reward employees based on performance; and,
- o Maintain an effective control on salary costs, to ensure ongoing conformance with CSUDHTAP's Compensation Policy and with generally accepted principles of Compensation Policy.

To achieve these objectives, CSUDHTAP's Compensation Policy Program consists of the following Program Elements:

- o Establish salary ranges that are at least equal to the 50th percentile of the marketplace for similar sized organizations in both the non-profit and for-profit markets;
- o Position Descriptions, which define the content of each position within CSUDHTAP;
- o A competitive Salary Structure, which considers what other organizations pay for similar work;
- o Funds for Salary Increases, which provide suitable increase amounts for eligible employees and establish budgetary constraints;

- o Performance Reviews, which determines relative employee performance;
- o Salary Planning, which provides the basis for salary increases to recognize performance and salary movement in the external marketplace; and,
- o Communication of salary and performance information to employees.

2: COMPENSATION POLICY PROGRAM RESPONSIBILITIES

Responsibility for managing the Compensation Policy Program is divided among four groups: (1) Board of Directors; (2) Vice President Administration and Finance/CFO; (3) Managers; and (4) Human Resources.

Board of Directors

CSUDHTAP's Board of Directors shall the approve overall compensation policy and objectives and shall approve annual salary budgets based upon recommendations from the Vice President of Administration and Finance/CFO.

Vice President of Administration and Finance or Designee Vice President of Administration and Finance/CFO or Designee is responsible for ensuring the overall equity and fairness of the salary structure and for recommending policy changes and annual increase amounts for approval by the Board.

The Vice President of Administration and Finance/CFO or Designee shall also recommend:

- o Annual salary increase pools;
- o Policies and procedures needed to implement and manage the Compensation Policy Program;
- o The basic salary structure for all employees and any revisions to it; and,
- o Exceptions to established Compensation Policy rules and procedures.

Managers

Managers include all other CSUDHTAP's employees with direct supervisory responsibility (i.e. Directors, Assistant Directors, Managers, and appropriate Supervisors). Managers shall have responsibility for:

- o maintaining the status of position descriptions within their respective areas of responsibility;

- o recommending re-evaluation of positions, as necessary, for discussion and approval by Human Resources and, if necessary, the Vice President of Administration and Finance/CFO or Designee;
- o ensuring that performance reviews are conducted with subordinate employees;
- o administering salary changes for subordinate employees; and,
- o communicating appropriate salary information and provisions of CSUDHTAP's Compensation Policy Program to subordinate employees.

Human Resources

Under the direction of the Vice President of Administration and Finance/CFO or Designee, Human Resources shall be responsible for:

- o Conducting annual surveys, analyses, and studies, and recommend revisions to the salary structure as necessary, for discussion and approval by the Vice President of Administration and Finance/CFO or Designee and/or the Board.
- o Position reassignments within the grade structure; and,
- o Reviewing the Compensation Policy practices covering all employees on a regular basis to ensure their conformance with established policies and the rules and procedures of CSUDHTAP's Compensation Policy Program.

3: POSITION DESCRIPTIONS

Position Descriptions are concise written documents summarizing the duties, responsibilities, and knowledge and skill requirements of a group of similar jobs that have been classified by a common title.

Position descriptions summarize job content and are therefore essential for a number of purposes, including:

- o external pricing of positions;
- o position evaluation; and,
- o planning for future staff needs.

Under no circumstances shall recruiting activities be initiated nor shall an employee be notified of a classification change until a position description has been reviewed and/or written and approved.

It is the responsibility of all Managers to ensure that all position descriptions within their respective areas of responsibility are reviewed at least once a year, or whenever recruitment activities are initiated. This review should be coordinated with each employee's performance review. Human Resources will conduct periodic audits to ensure that position descriptions are maintained current for all employees.

RECOMMENDED STEPS FOR WRITING A POSITION DESCRIPTION

The following are recommended steps for writing a position description.

STEP I.

The Employee completes a position analysis questionnaire for review by his or her immediate Manager. The questionnaire is forwarded to Human Resources who prepares an initial position description.

STEP II.

The Manager reviews, edits and approves the contents of the draft position description, and forward it to Human Resources.

STEP III.

The position description is reviewed and approved by Human Resources.

STEP IV.

The final standard position description will be circulated to the appropriate Managers.

POSITION DESCRIPTION INSTRUCTIONS

Position descriptions are concise written documents setting forth the responsibilities and duties, and the knowledge and skill requirements of a group of similar jobs that are classified by a common title.

Position descriptions should provide the information to: (1) identify the position and distinguish it from similar or dissimilar positions; (2) establish the content and scope of the positions; and (3) evaluate the level of difficulty of the position. *Position descriptions do not describe incumbents, their characteristics, or their performance.*

The incumbent and the incumbent's Manager have the greatest knowledge of the functions and responsibilities of a particular position. Therefore, it is essential that the Manager and incumbent agree that the description accurately represents the position.

STYLE

1. Keep sentences short, simple and to the point. Only words and phrases that are necessary and contribute substantially to the description should be used. Unnecessary words and phrases increase the chance of misunderstanding what is written.
2. Begin each sentence with a verb. (The person in the position is the implied subject.) This is to focus on the position instead of the incumbent. Verbs should be in the present tense rather than past or future tense; the description is an account of current duties.
3. Refer by title to other positions, department and the like.
4. Organize the responsibilities in sequential order if they lend themselves to this approach or from most important to least important if they do not.
5. Include information as to why things are done. Construct a concise and meaningful description.

CONTENT

The position is identified by several items on the job description, including title, division/department and title of the Manager who has direct authority over the position.

The content and scope of the position are defined by stating the main or basic functions and by detailing other functions or responsibilities characteristic of the position. Finally, the completed description must

provide information needed to determine job requirements and essential worker qualifications, including the formal education and experience necessary to perform the job.

4: SALARY STRUCTURE

One of the basic controls of CSUDHTAP's Compensation Policy Program is the Salary Structure. It serves as a key aid in assisting you in making equitable salary decisions. The salary structure consists of a series of salary grades with ranges applicable to all positions. It has the following characteristics:

- Salary grade Midpoints, which are related to competitive salary information;
- Salary grades with ranges defined by Minimum and Maximum dollars, which:
 - Establish the salary opportunities for positions associated with a particular salary grade;
 - Are sufficient to recognize differences in performance and experience of employees assigned to positions in each salary grade; and,
- Increments between salaries grades, which recognize differences in the relative value of positions within CSUDHTAP.

To gauge the competitiveness of the salary structure, surveys of salaries paid by other comparable organizations will be analyzed regularly by Human Resources. If there is evidence of a change in general salary levels, comparable adjustments will be made to the salary ranges and a revised salary structure will be issued. ***However, revisions made to salary ranges will not alter the grades to which positions are assigned, nor will such revisions result in automatic changes to individual salaries.***

Changes to the salary grade midpoints to reflect cost of living increases are known as structural adjustments. Each year Human Resources will collect published survey data on structural adjustments as well as cost of living data and recommend to the Vice President of Administration and Finance/CFO whether a structural adjustment is necessary and if so, how much it should be.

Published surveys of structural adjustments are available from a number of sources, including the Employers Group, The Conference Board, Auxiliary Organization Association and Paychex/Salary.com, as well as large consulting firms.

5: POINT-FACTOR POSITION EVALUATION PLAN

Position evaluation is the process of determining the internal value of a position (in terms of range of pay) by making comparisons with other positions in the organization. We utilize a "Point-Factor" Plan as an aid in making these comparisons.

A factor is an element common to all positions, which varies in proportion and intensity depending on each position's responsibilities and duties.

The factors measured in our Plan are:

- Education and Special Knowledge;
- Experience;
- Supervision;
- Interpersonal Contact
- Planning
- Skills and Abilities in:
 - math;
 - language; and,
 - reasoning.
- Complexity;
- Decision Making;
- Accountability/ Exposure to Impact of Errors
- Working Conditions;
- Probability of Injury or Accident;
- Business Travel and,
- Physical Demand

Each of these factors is defined in the following section.

POSITION FACTOR EVALUATION

EDUCATION AND SPECIAL KNOWLEDGE

- 10 pts - Read and understand basic instructions, use ordinary arithmetic and requires basic knowledge of English.
- 15 pts - High School Diploma.
- 20 pts - One or two specialized courses or specialized training, vocational courses or technical training such as a series of courses resulting in certification.
- 25pts - Additional training and certification equivalent to an AA. degree.
- 30 pts - Scientific, academic or technical training in a recognized profession or technical field. Equivalent to a Bachelor's degree.
- 40 pts - Scientific, academic or technical training in a recognized profession or technical field, and extensive knowledge of a specialized field. Equivalent to a Master's degree.
- 50 pts - Scientific, academic or technical training of a highly specialized nature that would qualify the individual as an authority in that field. Equivalent to a Ph.D.

EXPERIENCE

5 pts - Entry Level position; little or no experience required.

10 pts - Up to 1 year of experience required.

15 pts - 1 - 2 years of experience required.

20 pts - 2 - 3 years of experience required.

25 pts - 3 - 4 years of experience required.

30 pts - 4 - 5 years of experience required.

35 pts - 5 - 7 years of experience required.

40 pts - 7 - 10 years of experience required.

45 pts - 10 - 12 years of experience required.

50 pts - 12 years or more of experience required.

SUPERVISION

See Supervision Matrix on file with TAP HR (Maximum 100 pts)

INTERPERSONAL CONTACT

See Internal / External Contacts Matrix on file with TAP HR (Maximum 150 pts)

PLANNING AMOUNT

5 pts A person in this position does not do any planning.

10 pts A person in this position plans their own workload.

15 pts A person in this position plans their own workload and the work of one or more people in the work unit or department, or for a single project.

20 pts - A person in this position plans the work for the entire department or multiple projects.

25 pts A person in this position plans the work for two or more departments.

30 pts - A person in this position plans the work for the entire division, region or Business Unit or for an entire function such as HR, IT, Accounting or Marketing which crosses departmental lines.

35 pts A person in this position plans the work for the entire organization.

PLANNING TIME

- | | |
|-------|--------------------------------------------------------------------------------------------------------------------|
| 5 pts | A person in this position plans their work on a day to day basis. |
| 10pts | A person in this position plans on a weekly basis. |
| 15pts | A person in this position plans on a monthly basis. |
| 20pts | A person in this position plans projects with a month to six-month time span. |
| 25pts | A person in this position plans projects with a six month to one-year time span. |
| 30pts | A person in this position plans for annual budgets and up to 2 years in advance |
| 40pts | A person in this position is involved in strategic planning for the organization and plans on a 3 to 5 year basis. |

SKILLS AND ABILITIES

LANGUAGE:

- | | |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10 pts | Ability to read a limited number of two- and three-syllable words and to recognize similarities and differences between words and between series of numbers. Ability to print and speak simple sentences. |
| 20 pts | Ability to read and comprehend simple instructions, short correspondence, and memos. Ability to write simple correspondence. Ability to effectively present information in one-on-one and small group situations to customers, clients, and other employees of the organization. |
| 30 pts | Ability to read and interpret documents such as safety rules, operating and maintenance instructions, and procedure manuals. Ability to write routine reports and correspondence. Ability to speak effectively before groups of customers or employees of organization. Ability to use word processing and spreadsheet software. |
| 40 pts | Ability to read, analyze, and interpret general business periodicals, professional journals, technical procedures, or governmental regulations. Ability to write reports, business correspondence, and procedure manuals. Ability to effectively present information and respond to questions from groups of managers, clients, customers, and the public. Ability to use multiple software programs. |
| 50 pts | Ability to read, analyze, and interpret common scientific and technical journals, financial reports, and legal documents. Ability to respond to common inquiries or complaints from customers, regulatory agencies, or members of the business community. Ability to write speeches and articles for publication that conform to prescribed style and format. Ability to effectively present information to top management, public groups, and/or boards of directors. Ability to program PCs using one or more standard programming languages. |
| 60 pts | Ability to read, analyze, and interpret the most complex documents. Ability to respond effectively to the most sensitive inquiries or complaints. Ability to write speeches and articles using original or innovative techniques or style. Ability to make effective and persuasive speeches and presentations on controversial or complex topics to top management, public groups, and/or boards of directors. |

SKILLS AND ABILITIES (continued)

MATHEMATICS:

- | | |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10 pts | Ability to add and subtract two digit numbers and to multiply and divide with 10's and 100's. Ability to perform these operations using units of American money and weight measurement, volume, and distance. |
| 15 pts | Ability to add, subtract, multiply, and divide in all units of measure, using whole numbers, common fractions, and decimals. Ability to compute rate, ratio, and percent and to draw and interpret bar graphs. |
| 20 pts | Ability to calculate figures and amounts such as discounts, interest, commissions, proportions, percentages, area, circumference, and volume. Ability to apply concepts such as fractions, percentages, ratios, and proportions to practical situations. |
| 30 pts | Ability to work with mathematical concepts such as probability and statistical Inference, and fundamentals of plane and solid geometry and trigonometry. Ability to apply concepts of basic algebra. |
| 40 pts | Ability to apply advanced mathematical concepts such as exponents, logarithms, quadratic equations, and permutations. Ability to apply mathematical operations to such tasks as frequency distribution, determination of test reliability and validity, analysis of variance, correlation techniques, sampling theory, and factor analysis. |
| 50 pts | Ability to comprehend and apply principles of advanced calculus, modern algebra, and advanced statistical theory. Ability to work with concepts such as limits, rings, quadratic and differential equations, and proofs of theorems. |

REASONING:

- | | |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10 pts | Ability to apply common sense understanding to carry out simple one- or two-step instructions. Ability to deal with standardized situations with only occasional or no variables. |
| 20 pts | Ability to apply common sense understanding to carry out detailed but uninvolved written or oral instructions. Ability to deal with problems involving a few concrete variables in standardized situations. |
| 30 pts | Ability to apply common sense understanding to carry out instructions furnished in written, oral, or diagram form. Ability to deal with problems involving several concrete variables in standardized situations. |
| 40 pts | Ability to solve practical problems and deal with a variety of concrete variables in situations where only limited standardization exists. Ability to interpret a variety of instructions furnished in written, oral, diagram, or schedule form. |
| 50 pts | Ability to define problems, collect data, establish facts, and draw valid conclusions. Ability to interpret an extensive variety of technical instructions in mathematical or diagram form and deal with several abstract and concrete variables. |

COMPLEXITY

- 17 pts - Routine and generally repetitive duties requiring little or no independent action or diversification.
- 34 pts - Follows prescribed standards or guidelines. May use tools/equipment/apply technical skills involving some judgment. Work is supervised and subject to check.
- 42 pts - Wide variety of routine tasks that involve some choice of action within limits.
- 51 pts - Diversified and involves some choice of action within limits defined by standards/instructions. Under supervision.
- 60 pts - Non routine tasks within general procedures and guidelines, and that involve the analysis and solution of complex problems based upon facts, within broad policies and objective guidelines.
- 68 pts - Specialized or technical work with unclear guidelines. Diversified and requires interpretation of established policies/procedures and independent handling of non-routine problems and situations. Limited supervision.
- 85 pts - Diversified, responsible for establishing policies/procedures, exercising independent judgment. Responsibilities are guided by the overall goals/objectives of project. Alternatively; creative work of a research or development nature with few precedents or examples.

DECISION MAKING

- 17 pts - Position duties involve little or no decision making activities
- 34 pts - Position duties involve providing counsel and information used in the decision making process, but do not involve making decisions or recommendations.
- 42 pts - Position duties involve providing counsel and information, and also involve making some recommendations.
- 51 pts - Position duties involve making some decisions and making many recommendations.
- 60 pts - Position duties involve making frequent decisions and frequent recommendations. I make decisions and take actions that are later subject to review.
- 68 pts - Position duties involve making constant decisions and providing the authorization of recommended courses of action.
- 85 pts - Position duties involve decision making having international impact on the Company. I make decisions and take actions independently without anyone's review.

ACCOUNTABILITY / EXPOSURE TO IMPACT OF ERRORS

Accountability matrix on file with TAP HR (Total points possible 150)

WORKING CONDITIONS

- 4pts- Very Quiet (Examples: forest trail, isolation booth for hearing test)
- 8 pts- Quiet (Examples: library, private office)
- 12 pts- Moderate Noise (Examples: business office with typewriters and/or computer printers, light traffic)
- 16 pts- Loud Noise (Examples: metal can manufacturing department, large earth-moving equipment)
- 20 pts- Very Loud Noise (Examples: jack hammer work, front row at rock concert)

PROBABILITY OF INJURY OR ACCIDENT

- 5 pts - Generally little or no probability of injury or health impairment.
- 10 pts - Accidents are improbable outside of temporary minor injuries such as cuts, bruises or sprains.
- 15 pts - Relatively high exposure to hazards which are likely to produce temporary and minor cuts, bruises or sprains.
- 20 pts - Occasional exposure to serious potential injury or health hazard such as severe burns, fractures or similar disablements.
- 25 pts - Frequently exposed to serious potential injury or health hazards such as severe burns, fractures or similar disablements.

BUSINESS TRAVEL

See appropriate matrix on file with TAP HR (Total points possible 35).

PHYSICAL DEMAND

See appropriate matrix on file with TAP HR (Total points possible 15).

Maximum Points 1,000

6: SALARY INCREASE FUND

To maintain competitive, internally equitable pay for all salaried employees, funds must be set aside for annual salary increases.

Thus, during the third quarter of each fiscal year, Human Resources shall determine a recommended Salary Increase Fund for the following year, for review and approval by the Vice President of Administration and Finance/CFO or Designee and the Board.

Salary increase funds shall be established based upon general survey data for merit increase funds, and upon CSUDHTAP's Compa-Ratio, which is defined as follows:

$$\text{Compa-Ratio} = \frac{\text{Sum of Actual Salaries}}{\text{Sum of Salary Range Midpoints}}$$

Over time, it is expected that CSUDHTAP will reach and maintain an overall compa-ratio of approximately 100%. Salary increase funds will generally be larger than survey data would indicate when the compa-ratio is less than 100% and less than survey data would indicate when the compa-ratio exceeds 100%

Except for the circumstances outlined in Section 9, salary increases will usually be in the form of merit increases. Merit increase amounts will be based upon both the performance appraisal and the individual compa ratio. Suggested merit increase amounts are outlined in the merit increase table that is included at the end of this manual. Further discussion on merit increases is included in Section 8.

7: PERFORMANCE AND DEVELOPMENT REVIEWS

Formal Performance Reviews are an integral part of CSUDHTAP's Compensation Policy Program. The primary goal of a formal performance review is to foster growth and increasingly valuable performance on the part of each individual employee. A secondary objective is to furnish a sound and consistent basis for allocating salary increases from the salary increase fund, so that an employee's salary treatment is reflective of his or her performance contributions.

Formal performance reviews will be conducted annually by each employee's immediate Manager. This does not imply that periodic counseling and performance discussions should not take place during the intervening time periods. In fact, ongoing communication about performance is necessary to ensure a common understanding of position responsibilities and performance standards.

When an employee's formal performance review is completed, a copy of the performance review form and all supporting documentation should be forwarded to the appropriate Manager for review and approval.

Formal performance reviews are not only a requirement, but more importantly, they are essential for successful implementation of CSUDHTAP's Compensation Policy Program. Thus, Human Resources will ensure that all Managers are thoroughly trained in the principles and procedures of performance evaluation.

8: SALARY PLANNING

Salary Planning involves policies and procedures for determining starting salaries, overtime payments, merit increases, and special salary adjustments. During the proposal planning period, it is important that Office of Sponsored Research and prospective Principal Investigators consult with TAP HR to ensure accurate salary ranges are listed on the proposal.

STARTING SALARIES

Starting Salaries for new employees are determined by referring to:

- o the salary range for the position being filled;
- o the individual's related job experience;
- o the individual's salary history, if the salary history is voluntarily provided by the employee; and,
- o salaries of present employees in related positions.

Generally, new hires shall have a starting salary at or near the minimum of the appropriate salary range. However, fully qualified and experienced individuals, who can be expected to fulfill all requirements of their positions within three months of being hired, may be offered starting salaries up to the midpoint of the appropriate salary range, if such a salary offer is required to attract the applicant. Starting salaries above the first quartile of the appropriate salary range, however, require the approval of Human Resources, while those above the midpoint require the approval of the Vice President of Administration and Finance/CFO for Central TAP employees only. .

OVERTIME PAYMENTS

Some CSUDHTAP positions are eligible for Overtime Payments. In determining which positions are eligible, CSUDHTAP uses the overtime provisions of the Fair Labor Standards Act as a guide, together with appropriate state and local legislation.

MERIT INCREASES

Except for Special Adjustments that are discussed in the next section, Merit Increases are primary type of salary increases granted to CSUDHTAP employees.

Merit is primarily a function of job performance. However, the determination of an employee's merit increase shall also take into consideration:

- o the employee's overall level of performance and the quality of the contribution made;

- o the employee's present salary in relation to the salary ranges of his or her current position;
- o Present earnings of peers and subordinates;
- o the time elapsed since, and the amount of, the employee's last salary increase; and,
- o the availability of salary increase funds.

Managers shall advise their subordinates at regular intervals as to whether progress is being made toward consideration for a merit increase. If a merit increase is not forthcoming, the employee should be informed well in advance of the expected increase time that performance at the present level will not justify a salary increase.

Specific performance examples should be given to assist the employee in overcoming performance deficiencies that may otherwise deny salary increase consideration.

Merit increases will be communicated to each employee's immediate Manager, who, in turn, will communicate the increase to each of his/her subordinate employees. Under no circumstances shall an employee be informed of his or her merit increase until the increase has been recommended by the appropriate authorizing Manager and approved by Human Resources. In general merit increases will be calculated by reference to the attached merit increase guide.

Any exceptions to the amounts outlined in the merit increase guide chart require the approval of Human Resources, and if necessary, the Vice President of Administration and Finance/CFO or Designee

9: SPECIAL SALARY ADJUSTMENTS

The Special Adjustments discussed below require a written recommendation and updated position description prepared by the employee's immediate Manager, along with a salary analysis prepared by Human Resources after reviewing the new position description. Final approval of the adjustment is required by Human Resources in conjunction with senior management and, in the case of general adjustments, or adjustments that impact MPS classifications, the Vice President of Administration and Finance/CFO or Designee and the Board.

In addition to merit increases, there are certain other circumstances that may warrant Special Salary Adjustments, including:

General Adjustments

At the discretion of the Vice President of Administration and Finance/CFO or Designee and with the approval of the Board, all employees may be granted general, across-the-board adjustments in recognition of general conditions in the external marketplace. This only applies to Central TAP employees. Grant funded employees may not be eligible for across-the-board adjustments due to budget restrictions.

Movement To The Minimum

When an employee's salary becomes sub-minimal by virtue of change in the salary range of his or her position, the employee should receive an increase that will bring them to the minimum of the range as soon as possible.

If there are other reasons why the salary has become sub-minimal, for example, poor performance or a change in job content, then the employee should be considered for reclassification, or performance counseling and probation, and eventually termination. Grant funded employees may be restricted to available wages budgeted in the grant. For that reason, advanced salary planning is necessary. See section eight (8).

Salary Compression Adjustments

A Manager's salary shall, in general, exceed the straight salary or average hourly wage of his/her direct subordinates by at least 10 to 15%. ***There are exceptions to this, however, particularly when market forces so dictate.*** For example, a programmer with experience in a highly sought after programming language might have a higher market value than an IT Manager who does not possess that skill set. Human Resources should be consulted when the amount of salary differential is in question.

Position Reclassification

Position reclassification usually involves the reassignment of a position to a higher or lower salary grade based upon modifications in either job content, and/or marketplace conditions. ***Since this is not a function of performance, reclassifications should not be considered as either***

promotions or demotions. When a position is reclassified to a higher salary grade, adjustments will only be necessary if the salary is below the minimum for that grade.

When a position is reclassified to a lower salary grade, but the incumbent's performance at the previous level was fully satisfactory or better, he or she should be considered for re-assignment to the former grade when a vacancy occurs for which he or she is qualified. No salary adjustments should be made even if the salary is above the maximum for the new salary range. Future increases should be modified, however, to allow salary grade increases to bring the revised grade maximum above the incumbent's salary level.

Promotion Increases

A newly promoted employee should, in general, receive a promotional increase independent of any earned merit increase. However, the employee's current salary plus his or her promotional increase shall not exceed the midpoint of the new salary range, except in extraordinary circumstances. Promotion increases should not exceed 20% in the fiscal year.

Demotions

A demoted employee's salary shall not exceed the maximum of his or her new salary range, or his or her previous salary, whichever is less.

Cost of Living

An increase designed to align with the rising expenses for necessities like housing, food, healthcare. This is a non-merit-based increase that is applied across -the-board to eligible employees. Each year human resources will provide a recommended Cost of Living percentage increase using data from the U.S. Bureau of Labor Statistics' and Consumer Price Index (CPI-W).

Additional Pay

A temporary salary increase may be granted to employees who assume additional duties outside the normal scope of their position. This increase will not exceed 10% of the employee's base salary and is not intended to serve as a long-term solution. For TAP employees, additional pay assignments should not remain in effect for more than 12 months without special approval from the Vice President of Administration and Finance/CFO.

Successful implementation of CSUDHTAP's Compensation Policy Program requires that it be communicated to and understood by all employees.

Thus, salary and performance information that will assist an employee in the performance of his or her

position responsibilities and is meaningful in the context of current or future assignments, will be communicated to the employee.

Department and functional Managers will be provided with the salary ranges for their subordinates and other salary information needed in communicating with employees.

Employees will be informed in general meetings, in writing and in verbal communication with their managers of the following general information on the Compensation Policy Program:

- o CSUDHTAP's Compensation Policy and Compensation Policy Objectives;
- o The format of CSUDHTAP's salary structure and the way in which it is adjusted;
- o How positions are evaluated and assigned to appropriate salary grades;
- o Categories used for assessing performance contributions; and,
- o How individual merit increases are determined.

Additionally, each employee's immediate Manager will inform him/her of:

- o The results of his/her most recent performance review;
- o If appropriate, his or her merit increase;
- o Specific objectives needed to improve performance; and,
- o If appropriate, promotional opportunities within CSUDHTAP.