

**UNIVERSITY OF HOUSTON SYSTEM
ADMINISTRATIVE MEMORANDUM**

SECTION: Human Resources

NUMBER: 02.B.04

AREA: Compensation

SUBJECT: Salary Guidelines for Non-Faculty Personnel

1. POLICY

- 1.1. The primary objective of salary policies of the University of Houston System is to assist in attracting, retaining, and motivating qualified employees.
- 1.2. The recognition of meritorious performance should be the dominant consideration in semi-annual salary reviews and adjustments.
- 1.3. The guidelines that follow apply to the University of Houston System non-faculty personnel and provide a general framework for salary determination processes at each component. Those matters not addressed fall within the jurisdiction of each component.

2. PROCEDURES

- 2.1. Decisions on all salary adjustments must be implemented in accordance with legislative requirements.
- 2.2. Funds available for salary adjustment pools can be determined during budget preparation or identified from operational savings generated during the year. Normally, salary adjustments are awarded on an annual basis and may be awarded mid year at the option of the chief executive officer at each component.
- 2.3. Salary adjustments made on September 1 shall be developed in conjunction with the annual operating budget preparation and shall be approved by the Board as a part of the salary roster section of the Executive Budget Summary document.
- 2.4. Mid year salary adjustments shall allocate previously budgeted merit and equity pools or budgeted funds generated at the departmental level. Mid year salary adjustments shall be approved by the Board at the meeting prior to the effective date of the adjustment in the form of a roster in the format of the Executive Budget Summary salary roster.
- 2.5. All components of the University of Houston System must have written procedures for annual evaluation of the employee's performance for merit salary adjustments, and for salary adjustments based on equity.

- 2.6. Salary guidelines applicable to state supported activities will apply uniformly to salaries funded from auxiliaries, restricted funds, and local funds to the extent that resources from each of those sources are available.
- 2.7. Four factors are to be considered in the determination of salary adjustments:
 - a. Merit: recognition of performance.
 - b. Promotion: advancement with a defined career path.
 - c. Assignment: increases or decreases in the scope of responsibility and authority.
 - d. Equity: adjustments to correct or alleviate a significantly negative pay rate relationship to the external market or a significant internal pay inequity.

3. MERIT SALARY ADJUSTMENTS

- 3.1. Merit increases awarded at the beginning of the fiscal year or mid year must be within budget guidelines and must be based upon assessment of each employee's performance in accordance with university or system administration procedures.

4. SALARY INCREASES ON DATES OTHER THAN SEPTEMBER 1 OR MID YEAR

- 4.1. Salary adjustments on dates other than September 1 or mid year are permitted only as exceptions to the general principle of these guidelines. Examples of exceptions include:
 - a. Employees who complete an initial probationary employment period during a fiscal year may be considered for appropriate salary adjustment according to approved personnel and payroll policies and procedures;
 - b. Employees who have a change in job status or assigned duties which warrants adjustment in salary;
 - c. Employees who transfer from one component of the University of Houston System to another, and who then occupy a different position for which the salary scale provides another level of compensation; or
 - d. Employees who are entitled to an equity salary adjustment on the basis of the definition section 2.7.d; but only if the salary adjustment is made to retain the employee.
- 4.2. All such changes are subject to review and recommendation through established channels to the Board of Regents for approval.

4.3. In accordance with Section 5.8.1 of the Board of Regents By-laws, any adjustment to the salary of an exempt employee whose new salary is at least \$50,000 and in which the annualized increase is either 10% or more, or \$5,000 or more must be considered for approval by the Board of Regents as an item separate from the Consent Docket. Any such salary adjustments shall be approved by the Board prior to the effective date of the adjustment.

5. REVIEW AND RESPONSIBILITIES

Responsible Party: Vice Chancellor for Administration and Finance

Review: Even Numbered Years on or before May 1

6. APPROVAL

Approved: Alexander Schilt
Chancellor

Date: April 12, 1995

7. INDEXING TERMS

Merit increases
Salary