

40-5 Wage and Salary Administration

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1. **Purpose.** The purpose of these policies and procedures is to set forth the manner in which the basic monetary compensation of the Eastern New Mexico University System (the System) professional and support staff is determined and administered, including how starting wages or salary are determined and the basis of any subsequent wage or salary changes. Generally, the System refers to exempt staff compensation as "salary" (they are paid based on a set annual amount) and refers to non-exempt staff compensation as "wages" (they are based on an hourly amount). For purposes of these policies and procedures, both will be referred to as "salary."
2. **Policy.** The System's general compensation policies are as follows.
 - A. The System's compensation package consists of both salary and benefits, and the total value of those two (2) factors must be considered when reviewing compensation matters.
 - B. The System's Wage and Salary Administration Program shall be based on a variety of compensation factors, including but not limited to:
 - (1) The level of duties and responsibilities assigned.
 - (2) The quality of performance.
 - (3) Education and experience.
 - (4) The rates generally paid for similar work in the appropriate labor markets and
 - (5) The level of funding recommended by the System chancellor, the Board of Regents and approved by the New Mexico Legislature.
 - C. The System shall maintain uniformity and equity within the compensation plan, and the administrative methodology of salary management shall allow for the decision-making in salary matters to be based on all of the compensation factors stated in section 2. B. above, rather than on subjective judgments. To assure that this happens, the System's job classification plan shall be the benchmark for all compensation matters. The plan shall use salaries comparable to:
 - (1) Scope, nature, responsibility and other job factors;
 - (2) Cost-of-living data;
 - (3) *New Mexico Labor Market Review* data and
 - (4) Other institutions.

- D. All System personnel shall be required to use the System procedures on salary administration, salary on appointment and salary adjustment as critical factors in making compensation decisions.
- E. Compensation decisions shall not go into effect until all administrative approvals are obtained and supporting documentation is on file in the Office of Human Resources (OHR).

Guidelines and Procedures

- 3. **Administration.** These policies and procedures shall be administered by the ENMU System director of Human Resources (SDHR) with oversight by the ENMU System Chancellor.
- 4. **Salary Increment Schedule.** The Chief Financial Officer shall be responsible for establishing the salary bands used in the compensation plan where applicable. Applicable Salary Increment Schedules establishing salary grades do not necessarily change each year. It changes only when economic circumstances allow for revisions.
- 5. **Position Salary Rates.** The OHR shall assign each staff position title a specific salary or to a specific grade on the Salary Increment Schedule where applicable.
 - A. Employees shall not be paid at a rate less than the minimum for their grade, or greater than the maximum for their grade when on a salary increment schedule.
 - B. Salary ranges shall be based on salary rates paid by comparable institutions for similar positions and on comparable positions within the System.
 - C. The salary rates are for full-time employees and shall be prorated for part-time employees.
 - D. The OHR shall conduct periodic reviews, both for comparable institutions and comparable positions within the System, to preserve the accuracy and competitiveness of the System salary rates.
- 6. **Starting Salary.** When hiring a new employee or rehiring a former employee, the hiring authority, the area executive administrator and the OHR must determine the employee's starting salary prior to making a salary offer. The starting salary shall be based on the position and the individual's qualifications, including experience, as well as budgetary considerations, subject to the following provisions.
 - A. **Internal Equity.** If an employee is being hired into a department that has one (1) or more employees in the same job title, the new or transferred in employee's starting salary shall not exceed the current salary of any employee in the department with the same job title who has equivalent qualifications, including experience and/or education.
 - (1) If a new employee's salary would create such an inequity, the hiring authority must consult with the appropriate area executive administrator, dean or director and the OHR to determine appropriate salary adjustments for existing employees.
 - (2) Salaries of existing employees with equivalent qualifications with the same job title within the department must be adjusted to prevent inequities.

- (3) These adjustments must be approved, in advance, by the OHR and the CFO before the employee can be hired.

B. Minimum Salary Presumption. The minimum salary of the grade or position is paid to employees who meet the minimum qualifications of the position. Absent evidence to the contrary, the System shall operate with the presumption that a new employee meets the minimum qualifications of the position to which he or she is appointed.

C. Starting Salary above Minimum. To overcome the minimum salary presumption and pay a starting salary above the minimum, the hiring authority and the OHR may determine that the new employee has directly related qualifications beyond the minimum requirements for the position. These qualifications include, but are not limited to, directly related experience at a comparable level or higher, education, certifications and licenses.

- (1) One (1) year of directly related post-secondary education equals one (1) year of directly related experience.
- (2) Years of post-secondary education may be substituted for experience on a year-for-year basis; however, experience may not be substituted for education when it is a minimum requirement for the position. Any exceptions must be approved by the branch community college president or chancellor in writing.
- (3) The hiring officer must determine the value for directly related certifications, licenses and other qualifications.

7. Salary Changes. A staff employee's salary may be changed by any of the actions specified below.

A. Annual Increases. The Board of Regents allocates funds for increases in salary and benefit costs at the beginning of each fiscal year for all employees based on the following categories.

- (1) **Increase in Cost of Benefits.** If the cost of mandatory or other employee benefits increases, the funds necessary to meet these increases must be allocated before other increases in compensation are considered. These increases may be due to increases in the System's share of taxes and benefits, such as social security tax, retirement, health insurance, etc.
- (2) **Equity Adjustments.** The System may designate an amount determined by the branch community college president or chancellor to be set aside for adjustments to employees' salaries. [See 40-5-6 above]
- (3) **Performance Pay.** To reward employees who have demonstrated initiative, diligence and excellence as reflected in their performance evaluations, the System may also designate funds for performance increases.
 - a. Each year budgetary analysis shall identify if funds for performance increases are available and the lower and upper limits for performance pay, in the nature of a bonus payment, based upon the System Performance Pay Policy.
 - b. Performance pay shall not be added to the salary base.

- (4) **Across the Board Increases.** The System may, and frequently does, designate a portion of funds for annual increases to be allocated on an across-the-board basis.
 - a. These increases are dependent on the availability of funds, including the funds allocated for higher education salaries by the New Mexico legislature.
 - b. Each year budgetary guidelines shall identify if funds are available for such increases.
- B. **Adjustments to the Salary Ranges.** Based on the results of periodic reviews performed by the OHR (see 5D. above), the Salary Increment Schedule or position salary rates may be adjusted to stay competitive, subject to the availability of funds. Individual employee salaries shall be reviewed by the OHR to determine the appropriate adjustment.
- C. **Change in Salary.** Changes in salary shall only occur as follows:
 - (1) **Applied/Selected for a Position at a Higher, Lower or the Same level.** If a System employee applies for and is selected for a position in a higher, lower or the same level or grade if on a salary increment schedule, in accordance with recruitment and hiring policy [see AGP&P 40-3], the employee's new salary shall be determined pursuant to section 6, above. The employee's new salary shall be based on the employee's qualifications, and the hiring authority must use the same salary criteria that would be used if he or she were hiring an applicant from outside the System.
 - (2) **Demotion.** If an employee receives a demotion, the employee's salary shall decrease. A demoted employee's new salary is determined by the dean or director in consultation with the area executive administrator and the OHR.
 - (3) **Promotion.** If an employee is promoted, the employee's new salary shall be determined based upon section 6, above.
 - (4) **Reclassification.** Whether a reclassification results from the OHR changing a job title to another salary level or grade due to market changes or due to significant changes in a position's duties and responsibilities, salaries shall be determined pursuant to section 6, above.
- D. **Acting or Interim Appointments.** If an employee sometimes performs duties designated at a higher grade than he or she is in, and performs those over an extended period of time, the employee should be appointed to an acting or interim position in accordance with AGP&P, 40-3-17D(7).
- E. **Transfer.** A transfer is defined as a lateral move from one (1) job to another, or one (1) geographical location to another, in the same or similar classification within the same job or grade. A transfer does not involve a salary change.
- 8. **Pay Rate for Shift Work.** A shift differential is an hourly pay rate in addition to a nonexempt employee's base pay rate. A shift differential is paid to an employee for a shift assignment when at least half (1/2) of the work hours are between 4:30 p.m. and 7:30 a.m. of the following day. (Exempt employees are not eligible to be paid a shift differential.)
 - A. Shift differential rates apply to the entire work period and not just the hours between 4:30 p.m. and 7:30 a.m. Overtime is calculated at the employee's regular rate of pay (base pay plus shift

differential). Shift differentials are determined by the department in which the individual works but typically increase compensation by one or two steps on the salary increment schedule.

- B. Movement to and from the shift differential must be documented with the use of a Personnel Action Notice (PAN) processed for each change in shift.

9. On-Call Pay for Nonexempt Employees. On-call pay is paid to nonexempt employees who are required to remain available to return to work and who meet the conditions for payment as required by the Fair Labor Standards Act. (Exempt employees shall not receive on call pay.) Generally, on-call time is compensable when employees are so restricted that they cannot pursue personal activities.

- A. The specific factors considered to determine if on-call status is compensated are:

- (1) Restrictions on the employee's location,
- (2) Expected response time to return to work,
- (3) Number of other employees available to be called,
- (4) Frequency and urgency of calls received and
- (5) Actual use of on-call time.

- B. The basis for determining if time in on-call status is compensated is not the degree to which employees perceive their personal time is inconvenienced, but the extent to which they are actually inconvenienced. Therefore, employees who are free to leave the premises and attend to personal matters are not typically compensated for time in on-call status. Carrying a beeper or leaving a phone number where one can be reached does not require compensation unless the conditions listed above are also met.

- C. The supervisor, area executive administrator and the OHR shall determine when on-call status is compensated time and the rate nonexempt employees shall be paid.

10. Limited Extra Compensation for Exempt Employees. Under the Fair Labor Standards Act, exempt employees are paid a regular salary and are not paid based on the number of hours worked. Exempt employment is a professional relationship whereby employees are given the flexibility to exercise professional judgment both in how and when the work is done. They are expected to meet operational needs and are evaluated on results achieved. Therefore, exempt employees do not normally receive extra compensation. However, exempt employees may in limited circumstances receive extra compensation from the System for work performed outside the employee's department. Extra compensation is not intended to compensate employees for cooperative work between departments where staff provide support for each other on an ongoing basis. Extra compensation shall not be paid for services rendered to other units lasting less than a day, such as guest speaking. In all cases, the employee's primary assignment takes priority over the work performed for another unit.

- A. **Restrictions on the Authorized Use of Extra Compensation.** Payment of extra compensation shall be subject to all of the following restrictions.

- (1) To qualify for extra compensation, the additional work must be performed outside the employee's department, with the employee's work being reviewed by someone other than the employee's regular supervisor.
- (2) The additional work (for which extra compensation is to be paid) may not, in the opinion of the employee's supervisor and dean or director:
 - a. Create a time conflict with the performance of the employee's regular duties and assignments, or
 - b. Constitute a "conflict of interest" situation involving the employee, such as a situation that competes with the interests of the employee's primary assignment or the department's interests.
- (3) The additional work (for which extra compensation is to be paid) must be short term and, therefore, must be restricted in both the number of hours worked and the duration of the assignment.

B. Required Approval. Advance written approval shall be required by the employee's immediate supervisor and the appropriate area executive administrator.

- (1) To request extra compensation, the individual who will be supervising the additional work must submit a Special Pay Slip, PAN, or other appropriate information to the OHR. Appropriate documents must be approved by the employee's immediate supervisor and dean or director, with concurrence of the appropriate area executive administrator.
- (2) Approval for extra compensation must be obtained before the work is performed.

C. Pay Rate for Extra Compensation. The rate of payment shall be determined by the OHR, must be in accordance with the Position or Salary Increment Schedule for the type of work being done and must reflect the amount and type of effort involved. For example, if a manager does the job of an accountant, the extra compensation paid the manager would be at the rate of pay for an accountant. However, if an accountant does accounting duties in another department, the accountant's pay rate would remain the same.

- (1) After the work is completed, the supervisor and the appropriate executive administrator must sign the Special Pay Slip verifying the work has been completed and submit it to Payroll for processing.
- (2) Each dean, director or department head is responsible for keeping records that ensure all extra compensation paid to employees is approved and paid according to the provisions of this policy.

11. Salaries Funded by Contracts and Grants. Employees whose salaries are funded by contracts or grants are subject to all the provisions of this policy, and proposed salary levels in contract and grant proposals must comply with this policy.

12. New Positions. When it is justified and funding has been approved, a new staff position may be established.

- A. To request a new position, the supervisor must submit a job description to the OHR for review.
- B. New positions must be evaluated, approved, graded and/or classified by the OHR prior to hiring.

13. Exceptions. Any exceptions made to this policy must be documented in writing, with approvals by signature of the SDHR, the CFO and the chancellor.

Approved by Board of Regents, November 11, 2016.

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