Operating Policy and Procedure

HSC OP: 70.37, Salary Administration Policy

PURPOSE: The purpose of this Health Sciences Center Operating Policy and Procedure (HSC OP) is to establish policy and procedures regarding the administration of salaries for faculty and staff employees.

REVIEW: This HSC OP will be reviewed on April 1 of each odd-numbered year (ONY) by the Assistant Vice President for Human Resources, with recommendations for revisions forwarded to the Executive Vice President for Finance and Administration and the President by April 15.

POLICY/PROCEDURE:

1. **Objective.** Texas Tech University Health Sciences Center (TTUHSC) is an institution of higher education dedicated to the pursuit of medical education, research, and public service objectives. To attain these objectives, TTUHSC has the responsibility to secure a staff of competent employees and expend as effectively and economically as possible the monies placed in its charge for compensation.

2. **General Compensation Policy.** It is the policy of TTUHSC to distribute fairly and equitably money available for salaries and wages based upon the relative value of its various positions and employees assigned to those positions without regard to sex, race, color, national origin, religion, age, individuals with disabilities, genetic information, status as a protected veteran, on the basis of an employee’s sexual orientation, or any other legally protected category, class, or characteristic and in keeping with the laws of the State of Texas and the Board of Regents.

3. **Authority to Set Compensation.** Authority to set the compensation paid to employees resides with the Board of Regents. This authority is exercised through policies which regulate compensation and through review and adoption of the annual operating budget. In conjunction with approval of the itemized budget during the normal budget cycle, the Board of Regents has delegated authority to approve all faculty and staff salary increases to the President. All increases requested outside the normal budget approval process will require approval of the President or his designee in areas as specified in this HSC OP.

4. **Presidential Approval.** The President delegates the authority to approve adjustments to an employee's salary when the increase was not budgeted in the current Fiscal Year Operating Budget in accordance with HSC OP 10.11, Delegation of Authority. Approval by the President is required prior to the effective date for adjustments to an employee’s total salary rate, not required by law, when such adjustment is 10 percent or more per annum. This does not apply to:

   a. Bona fide promotions;

   b. Supplemental compensation payments as provided by law, (i.e., FLSA ruling, EEO settlements, etc.); or

   c. Adjustments to an employee's salary rate from non-appropriated funds, which have a period other than the state fiscal year, if the increase is consistent with the institutional increases given to other persons, and if the Executive Vice President and the President have reviewed the adjustment and the President has approved it.

For the purposes of this policy, "total salary rate" shall mean the full time monthly salary x 12 x FTE for monthly paid employees. For hourly paid employees, “total salary rate” shall mean the full time hourly wage x 2080.08 x FTE, and "bona fide promotions" shall mean promotion to previously existing funded positions. The above policy is applicable to all employees, full or part-
5. **Definition of Terms.**

a. **Administrative Employee.** An employee:

(1) Whose primary duty consists of the performance of work related to the administration or direction of a recognized department or budgeted entity not more than two levels below a full vice president; and

(2) Who is responsible for the preparation and administration of the policies, programs, and internal procedures of the department or entity; or

(3) Who is an assistant or associate director or administrator of a recognized department or budgeted entity not more than three levels below a full vice president and is responsible for participating in the administration or direction of the department or entity, or a major function thereof; and

(4) Who is responsible for performing the duties and responsibilities of the administrator or director in his absence; and

(5) Who is employed in an occupational category assigned to pay grade 800-809.

b. **Student Employee.** An employee performing part-time work incidental to their academic training in an occupational category that requires all incumbents to be students as a condition of employment and assigned to pay grade 101, 102, 103, 200, or 201. These occupational categories are:

- High School Student Worker U3915
- Student Assistant U3911, U3912, U3913, and U3914
- Graduate Assistant U3907 and U3908
- Research Assistant U0626 and U0627
- Teaching Assistant U0325
- Residence Hall Assistant U3910
- Medical Student Research Assistant U3906
- HSC Student Intern U3905

c. **Executive Management Employee.** An employee appointed to serve TTUHSC as President, Dean, Executive Vice President, Senior Vice President, Vice President, or an administrative head with significant responsibility for the management of a recognized department reporting directly to the President.

d. **Equity pay increase.** A permanent increase to the base salary that may be granted to an employee under certain circumstances, such as increased duties that do not warrant a reclassification or to address a significant salary lag to comparable internal positions or the local labor market.

e. **Merit pay increase.** A raise in pay based on a set of criteria set by the employer. Merit pay increases are declared by legislative action.

f. **Faculty Employee.** An employee with academic rank.

g. **Professional Employee.** An employee primarily responsible for the performance of work requiring advanced specialized academic training or certification beyond the Bachelor's level in a recognized professional field of science or learning, and for performing recognized professional services directly related to that academic training, and who is employed in an occupational category assigned to pay grade 800-809, or is employed as a professional librarian or coach.

h. **Staff Employee.** Employees who work for TTUHSC that are not identified in the Faculty Employee, the Student Employee, the Executive Management Employee, the...
Professional Employee, or the Administrative Employee definitions and are employed in an occupational category assigned to pay grades 500-518.

i. **Promotion.** The (re)assignment of an employee to a job in a higher grade in the TTUHSC Pay Plan.

j. **Demotion.** The (re)assignment of an employee to a job in a lower grade in the TTUHSC Pay Plan. Demotions may be the result of poor performance, disciplinary action, a re-organization, re-engineering, or an employee request.

k. **Reclassification.** The (re)assignment of a job to a higher or lower grade in the TTUHSC Pay Plan due to a job content (re)evaluation and/or significant change in the going rate for comparable jobs in the external labor market.

l. **Realignment.** The (re)assignment of an existing position’s title within a structure that better defines the nature and level of work due to the structure in which position is assigned. There will be no salary adjustment associated with a realignment.

m. **Lateral Transfer.** The change of an employee from one position to another position assigned to the same pay grade.

n. **TTUHSC Pay Plan (Pay Plan).** The pay grade matrix, position class codes, position and titles, job documentation, and policies and procedures that are necessary to describe and administer compensation for all employees of TTUHSC. The Pay Plan is shared among TTUS, TTU, TTUHSC and TTUHSC El Paso.

o. Position Class Code: Numerical identification of a specific title in the pay plan.

p. Pay Grade: A fixed framework of a salary range that shows at the least a minimum, midpoint, and maximum of that range.

6. **Administration of the TTUHSC Pay Plan.**

   a. The Chancellor, and Presidents of each TTU System entity have responsibility for the oversight of the shared Pay Plan for the Texas Tech University System.

   b. The Assistant Vice President for Human Resources, under the overall direction of the Executive Vice President for Finance and Administration, has responsibility for the administration, maintenance, and implementation of the Pay Plan regarding its effects upon TTUHSC. The Assistant Vice President for Human Resources shall continuously review all factors basic to the administration and maintenance of sound pay policies, including:

      (1) Pay practices among governmental and private employers;
      (2) The cost of living;
      (3) The ability of TTUHSC to secure and retain the services of qualified employees;
      (4) Job requirements; and
      (5) Other pertinent information basic to the Pay Plan.

   The Assistant Vice President for Human Resources shall recommend changes in the Pay Plan as the needs of TTUHSC require.

7. **Assignment of Positions and Titles.** The Assistant Vice President for Human Resources shall have responsibility for:

   a. Obtaining information about each position and comparing the duties, responsibilities and work requirements of the position with other TTUHSC positions;

   b. Assigning each title a position class code within the Pay Plan;

   c. Assigning a pay grade for each title;
d. Including the assigned title and pay grade in the Pay Plan; and

e. Determining periodically that each position class code is correctly assigned.

Pay Plan titles reflect the overall nature and level of work of the position and shall be used in all personnel, accounting, and other official forms and records. Titles may be specifically identified using extenders to the assigned title with the approval of the Compensation section.

All funds disbursed by TTUHSC are subject to TTUHSC regulation and control, regardless of original source. The source of funds for payment of salaries shall have no bearing on the assignment of positions.

8. The Faculty Compensation Plan.

Deans and appropriate department heads are responsible for salary administration for faculty positions within their organization. In order to maintain consistency and equitable faculty salaries, when a faculty position is established, its base salary is compared to similar positions on and off campus to ensure the salary is consistent with internal and external market factors. Actual salaries may differ based on the seniority or faculty qualifications and/or discipline. Compensation for newly established positions or for vacant positions are recommended by the department head and approved by the respective Dean.


a. Interpretation of Salary. Each salary within the assigned pay grade shall represent base pay for full-time service and shall include the value of any allowances received by the employee in the form of meals, lodging, laundry, and the like.

b. Pay for Part-Time Work. Pay for part-time work shall be proportionate to the time worked, based on 40 hours per week.

c. Rate of Pay for Employees in a Trainee Status. The Assistant Vice President for Human Resources has the authority to approve the appointment of employees to approved positions at a salary not to exceed 6% below the minimum of the salary range ("trainee" status) based upon a recommendation of the appropriate appointing administrator. Exceptions to this policy may be approved by the President based upon written justification submitted by the appointing administrator when such action:

(1) Is justified by the exceptional qualifications of the applicant; or
(2) Is justified by a demonstrated lack of qualified applicants at the minimum rate; and
(3) Does not create an inequity between the individual and employees already employed by TTUHSC in that class; and
(4) Is based on the length of the position’s vacancy.

The Assistant Vice President for Human Resources has the authority to approve salary increases for “trainees” granted within the provisions of this policy based upon a recommendation from the employee’s administrator.

d. Salary Adjustment Ineligibility. Employees granted an increase to their base salary are ineligible for any other merit-based increase for the next six months following the effective date of a merit-based salary adjustment. (1)

10. The TTUHSC Pay Plan.

a. The TTUHSC Pay Plan shall consist of the Pay Grade matrix, Position Class codes, job documentation, and policies and procedures that are necessary to describe and to administer compensation for all employees of TTUHSC.
b. The Pay Plan is a listing of all current titles and includes the following:

- The position class code
- The position title
- The FLSA Classification (exempt or nonexempt from record keeping and overtime)
- Pay Grade and pay range.

c. **Job Templates and Their Interpretation.** A job template contains information that categorizes jobs and provides basic information needed to document jobs for individual positions. It serves as a pattern for posting job vacancies. The job templates include the following:

- Position Class Title
- Position Class Code
- Qualifications
- Brief Position Description
- Pay Grade
- Pay Range

A job template shall be descriptive, not restrictive. It shall summarize nature and level of work of a position class code and title as determined by the description, qualifications, and other work requirements.

d. **Pay Administration.** A pay range shall be assigned to each title in the Pay Plan. The Assistant Vice President for Human Resources shall establish and maintain the pay range for each title in the Pay Plan. Pay ranges are intended to afford opportunity for recognition of quality of work, continued good service, and outstanding performance; give recognition to the individual requirements of employees; and take account of the pay practices applicable to comparable positions in public and private employment as well as general economic conditions affecting salary policy.

e. **Beginning Pay Rates for New Employees.** TTUHSC will work under a pay matrix that includes the 25th, 50th, and 75th percentiles. The Compensation section will use compensation practices that will assist in assigning hiring rates for new employees:

1. The proposed starting pay rate for all staff positions is submitted by the department hiring manager for review by the Compensation Section through an offer outline as part of the TTUHSC hiring process.

2. An offer of employment shall not be extended unless the offer outline has been reviewed and processed by the Compensation Section.

3. An individual shall normally be appointed to a position in the Pay Plan at a pay rate that is commensurate with the candidate’s experience and qualifications that the candidate brings to the job using the following guidelines:

<table>
<thead>
<tr>
<th>Experience Beyond the Minimum Requirements</th>
<th>Placement</th>
<th>Considerations</th>
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<tbody>
<tr>
<td>1-5 years</td>
<td>First Quartile (from the minimum up to the 25th percentile of the range)</td>
<td>New to role, learning, not yet performing full scope of job requirements. No experience beyond the minimum-candidate should come in at the minimum rate. Example: A job requires 3 years experience. The best candidate has 3</td>
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<tr>
<td>Experience Level</td>
<td>Type and Amount of Experience Beyond the Minimum</td>
<td>Factors to Consider</td>
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| 6-10 years       | Type and amount of ed/experience beyond the minimum.  
|                  | Proven level of proficiency  
|                  | Directly related skills and competencies  
|                  | Strength of job pool, internal equity within the department and the job class on the campus/institution.  
| Example: A job requires 7 years experience. The best candidate has 15 years of relevant experience. Candidate exceeds minimum by 8 years.  |                      |
| >10 years        | No starting salary above the mid-point assigned to the title may be committed to without prior approval from the Assistant Vice President of Human Resources.  
|                  | Factors that will be considered are:  
|                  | The extent to which the candidate’s directly related qualifications, at an equivalent level, exceed the minimum requirements for the position;  
|                  | Whether the candidate has achieved recognition of expertise in the field as a result of a combination of education, specialized training, and/or work experience in areas related to the specialty.  
|                  | Strength of job pool, internal equity within the department and the job class on the campus/institution  
|                  | Market conditions  
|                  | Other unique qualifications and skills  
| Example: A job requires 8 years experience. The best candidate has 22 years of relevant experience. Candidate exceeds minimum by 14 years.  |                      |

f. **Salary Reviews for Employees.** An employee shall be eligible for review of salary for one of the following conditions: Equity, Completion of training, New certification (related to position), Change in job duties, and Correction to salary. Salary increases requested outside of the normal budget process must be approved by the appropriate Vice President / Dean based upon written justification by the requesting administrator. A current annual performance evaluation with a minimum overall rating of 4 must be on file in order to receive an increase for equity or merit. Employees granted increases to their base salary are ineligible for any other increase for the next six months following the salary adjustment. (1) The salary review process begins with preparing and submitting a Request for Salary Review, found at [http://www.ttuhs.edu/hr/compensation.aspx](http://www.ttuhs.edu/hr/compensation.aspx).

g. **Special Salary Increases for Employees.** Statutory, special, minimum wage, inequity, or pay grade adjustment increases may be granted to employees by special administrative actions.

Such increases requested outside the normal budget process must be approved by the appropriate Vice President / Dean based upon written justification by the requesting administrator.
h. **Maximum Pay for Staff Employees.** A maximum pay rate is assigned to each pay grade in the Pay Plan to identify the maximum value for each title assigned to that pay grade. An employee should not be paid above that maximum value simply because he has performed the job for a long period of time or because he performs the job exceptionally well.

When an employee reaches the maximum of the assigned pay grade, the employee will cease to be eligible for merit salary increases and other increases not required by law. Statutory and other increases required by law will still be granted.

11. **Promotion, Transfer, Demotion, Realignment.**

   a. **General Policy.** All promotions or transfers to positions assigned to the Pay Plan shall be on the basis of qualifications and suitability without regard to sex, race, color, national origin, religion, age, individuals with disabilities, genetic information, status as a protected veteran, or any other legally protected category, class, or characteristic or on the basis of an employee’s sexual orientation. It is the policy of TTUHSC to fill a job vacancy with the best qualified and best suited candidate either by promoting or transferring an employee or by hiring from outside TTUHSC.

   b. **Promotions and Transfers.** Promotions and transfers will be conducted in accordance with [HSC OP 70.11](#), Appointment to Non-Faculty Positions. Please contact the Assistant Vice President for Human Resources to discuss any variance from this process.

   c. **Demotions.** An administrator may recommend demotion or reassignment of an employee to a position where he will be able to meet performance requirements, to apply disciplinary action for misconduct, or for other reasons. An employee may request a demotion to start training in another occupation, to continue employment when a layoff is imminent, or for other reasons.

   Approval by the Assistant Vice President for Human Resources is required prior to demoting an employee.

   d. **Pay Rate Adjustment Upon Promotion, Transfer, Demotion, or Realignment.**

      1. **Promotion.** Upon promotion or upward reclassification of an employee's present position, an employee will normally be granted a 2 to 9.9 percent salary increase, not to exceed the maximum salary or to be less than the minimum pay established for the new position. A current annual performance evaluation with an overall rating of "4" or better must be on file in order to grant the promotion or reclassification.

      2. **Transfer.** Upon transfer to a position assigned to the same pay grade, an employee's salary will remain unchanged.

      3. **Demotion.** Upon demotion or downward reclassification of an employee's current position, an employee's salary will be adjusted to an amount not less than the average salary of the new title. The amount will be based upon circumstances related to the demotion or downward reclassification, its impact upon equity within the new title, and the employee’s length of service. If the employee’s current salary is already less than the average of the new title, the employee’s salary remains the same. Exceptions to this require the approval of the President.

      4. **Realignment.** A salary increase shall not be considered when a job is realigned.

12. **Reclassification.**

   a. **General Policy.** The reassignment of a given position to a different position class code
(title) within the Pay Plan shall be determined by an analysis of the duties, level of responsibilities, minimum required qualifications, and reporting relationships of the position. A reclassification of a position shall not be made to fit the qualifications of an individual employee (or group of employees) but rather to reflect the qualifications required for the duties to be performed.

b. **Reclassification Approval Process.** Reclassification of existing positions will be conducted in accordance with HSC OP 70.24, Creating a New Position in the Budget; Creating a New Position Title in the Pay Plan; and Reclassifying an Existing Position Title.

c. **Special Title Restrictions.** To provide equity, certain titles are restricted by level of administrative office:

   E0105 Assistant to the President  
   This title is restricted for use in the Office of the President.

   S1119 Executive Associate  
   This title is restricted for use in the office of the President, Dean, Executive Vice President, Senior Vice President or an administrative head of with significant responsibility for the management of a recognized department reporting directly to the President.

   S1133 Executive Administrative Associate  
   This title is restricted for use in the office of the President, a Vice President, Dean or Executive Director, or an administrative head of a recognized department reporting directly to the President.

   S1134 Executive Associate to the Dean  
   This title is restricted for use in the office of a dean.

   S1122 Senior Administrative Assistant  
   This title is restricted for use in the office of an associate dean, associate vice president, or an administrative officer reporting directly to the President.

   S1117 Medical Administrative Secretary  
   This title is restricted for use in the office of a chairman of a clinical department.

   Section level titles: Restricted to positions with TTUHSC level (not regional) oversight, i.e. Section Manager.

   Exceptions to this policy will require strong justification and approval by the President or appropriate vice president. Positions which are currently assigned to the reserved classifications, but which do not meet the criteria set forth in this policy, will not immediately be reclassified; however, such positions will be reclassified when they become vacant.

13. **Right to Change Policy.** TTUHSC reserves the right to interpret, change, modify, amend, or rescind this policy in whole or in part at any time without the consent of employees.

REFERENCES:

1. Texas Government Code, Section 659.255 (d-g)