# MPP Compensation Guidelines

**Effective July 1, 2001**

## Table of Contents

- Purpose, Philosophy and Overview .......................... 2
- Management Roles and Responsibilities ................. 3
- Overview of Review and Approval Process .............. 5
- Administrative Grade Levels ................................ 6  
  - Salary Ranges  
  - Leveling of Positions  
  - Appropriate Titles
- Recruitment and Appointment .............................. 9  
  - Recruitment Protocols  
  - Regular Appointment Salaries  
  - Temporary Appointments  
  - Interim Appointments
- Position Changes .......................................... 14  
  - When is a Position Change Appropriate  
  - Position Review Process  
  - Salary Increase Guidelines
- MPP Merit Salary Program ................................ 17
- MPP Merit Bonus Program ................................ 19
- Appendices  
  - Appendix I – Signature Authority  
  - Appendix II – Title V Provisions  
  - Appendix III – General Definitions
Purpose

The CSU Monterey Bay (CSUMB) Management Personnel Plan (MPP) Compensation Guidelines have been developed to provide a consistent framework for the effective and responsible administration of MPP Compensation Programs to promote the recruitment and retention of a highly qualified management team. The compensation guidelines provide a framework within which CSUMB can be accountable in its use of public funds under Title V. Administrator salaries are highly visible and CSUMB must ensure its compensation actions for administrators are appropriate and support the university’s vision.

General Philosophy

CSUMB is strongly committed to attracting and retaining the most highly qualified, diverse workforce. The effectiveness of this recruitment and retention effort is in part dependent on the responsible management of the CSUMB MPP compensation and benefit programs in the context of applicable labor markets, which vary based on the type of position. The CSUMB total compensation package includes comprehensive benefits and retirement components in addition to base salary and other direct compensation. Effectively managing and marketing the total compensation package is essential to the success of recruitment and retention efforts.

Guideline Overview

The following guidelines have been developed to effectively implement and administer the CSUMB MPP compensation programs in keeping with the purpose and philosophy described above. When used effectively, the guidelines will provide a more accurate, comparable and consistent application of the programs. The guidelines also provide an outline of the appropriate options available for addressing a wide range of compensation issues. Generally, the guidelines provide for management discretion and flexibility; however, in some cases, specific procedures must be followed to ensure compliance with applicable laws governing administrative compensation programs, such as Title V.

The guidelines include the following sections to assist in the ongoing administration of MPP compensation programs.

- Management Roles and Responsibilities
- Overview of Review and Approval Process
- Administrative Grade Levels
- Recruitment and Appointment
- Position Responsibility Changes
- MPP Merit Salary Program
- MPP Merit Bonus Program
- Appendices: Signature Authority, Title V Provisions and General Definitions
Management Roles and Responsibilities

The Board of Trustees of the CSU System has authorized and endorsed the overall program design and development of MPP Compensation Programs. Campuses have the delegated authority to implement these programs to meet their specific operational needs. To that end, the following roles and responsibilities have been defined at CSUMB for the ongoing administration of MPP Compensation Programs.

- **Cabinet and Executive Management**
  The executive management of the campus determines the overall direction and guidelines for how MPP compensation will be managed and administered at the campus level. Their role is to approve campus programs and monitor the aggregate results to ensure program objectives are achieved.

  A separate Cabinet sub-committee will review and recommend the campus implementation of special MPP compensation programs, such as merit pay and bonus arrangements, to ensure more balanced funding and administration of these programs. This sub-committee will be chaired by the Associate Vice President for University Human Resources and will include at least one Vice President. The sub-committee will meet on a regular basis, either semi-annually or quarterly as needed, to review and recommend criteria for specific programs. This sub-committee will also provide a forum to maintain a campus-wide perspective in relation to MPP Compensation Programs. The sub-committee will make recommendations to the entire Cabinet; the Cabinet and campus President having final decision authority.

- **University Human Resources**
  University Human Resources (UHR) is responsible for the development, implementation, administration, communication, and training associated with MPP Compensation Programs. As such, UHR will meet with managers to assess matters related to MPP compensation, and in some cases, approve or provide specific recommendations related to personnel actions in these areas as outlined in the guidelines that follow. UHR has the sole responsibility and specialized expertise that is required to make a determination of the accurate placement for individual positions within the Administrative Grade Levels (AGL’s). Additionally, HD&EEO has primary responsibility to oversee campus-wide equity in the administration of MPP compensation.

- **Division and Department Administrators**
  Division and department administrators have a critical management role in the administration of MPP compensation. To successfully perform this role, administrators must understand and responsibly manage matters related to the assignment of position duties and responsibilities in order to ensure that campus objectives for MPP compensation are achieved and sustained. Administrators have the responsibility to develop and assign work based on current and accurate position descriptions.

  **Administrators will meet with UHR before initiating any course of action or discussion with an MPP candidate or employee about a position, administrative grade level, and/or salary change.** These meetings will proactively help identify the best alternative to address a situation and avoid future problems. Administrators are responsible for ongoing performance evaluation.
coaching and timely performance evaluations to support sound management practices and compensation decisions.

Additionally, administrators will meet with UHR to ensure they work within the established guidelines to promote campus-wide consistency and comparability in the application of MPP Compensation Programs. Depending on the type of position and/or administrative grade level, final decision authority will rest with the appropriate Vice President or the President. In making the final decision, consideration will be given to an assessment of operational needs and the analysis and recommendation of UHR regarding the advisability of the personnel action to be taken. Listed below are a few examples of compensation-related personnel actions that need to be discussed with UHR.

- Operational assessments that result in the need to substantially change or assign new position duties that may result in a position change or administrative grade level change.
- Recommendations for ongoing or interim position changes which affect salary and/or the administrative grade level.
- Recommendations for interim MPP appointments involving the appointment of an employee covered under a collective bargaining agreement or involving another MPP employee.
- A recommendation for a management incentive arrangement to ensure it meets the prospective and performance criteria required under Title V.
- Recommendations for other salary actions or special compensation arrangements.
Overview of Review and Approval Process

The following flow chart outlines the review and approval process for MPP compensation actions. Please refer to Appendix I – Signature Authority for further approval details.

Review and Approval Overview

Administrator initiates discussion with Human Resources based on own or employee request

Administrator completes paperwork and provides supporting documentation

Department/Division administrator review of request and paperwork:
- Admin I, II, III – VP
- Admin IV – President
- Salary $100,000 + - President
- Outside Guidelines – VP or President

Budget review of funds available

Human Resources review and recommendations

Final determination to Managing Administrator

Administrator discusses action with the employee

Action Implemented

Outside of guidelines: Cabinet review and/or approval by President for all Admin Levels
Administrative Grade Levels

Four administrative grade levels (AGL) are defined for MPP positions and compensation. Campuses allocate positions to one of the four administrative grade levels based on broad system-wide criteria, which is further defined at the campus level. This broad criteria includes: position requirements, internal equity and comparability, reporting relationships, market salary comparisons, and recruitment needs.

Salary Ranges

The salary ranges for the four administrative grade levels are true broad bands. They have a spread from the minimum to the maximum rate of approximately 145% to 150%. To effectively use these ranges requires an internal evaluation of positions and their requirements, as well as targeting the competitive market range for each position within the broader range. This is accomplished by UHR making internal position comparisons using campus defined criteria and analyzing applicable survey and market data to develop appropriate market ranges for individual positions. The following are the current MPP salary ranges for fiscal year 2002/2003 for those who work a full twelve month schedule.

<table>
<thead>
<tr>
<th>Administrative Grade Level</th>
<th>Salary Range Monthly Minimum</th>
<th>Salary Range Monthly Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>$2,220</td>
<td>$5,564</td>
</tr>
<tr>
<td>II</td>
<td>$3,306</td>
<td>$8,055</td>
</tr>
<tr>
<td>III</td>
<td>$4,500</td>
<td>$10,879</td>
</tr>
<tr>
<td>IV</td>
<td>$6,810</td>
<td>$14,910</td>
</tr>
</tbody>
</table>

Position Leveling

Positions within the Management Personnel Plan are those that are primarily responsible for achieving results through others; however, the management plan also includes functional managers who have key program management responsibilities and accountabilities, but do not necessarily have staff reporting directly to them. CSUMB has worked to develop more campus specific criteria for assigning individual positions to an appropriate administrative grade level. These criteria focus on position requirements and relationships and work to establish internal comparability. Once the administrative grade level is determined, placement within the salary range for the grade level is based on further internal and external position comparisons. These factors include the scope and nature of the management responsibility within each grade level. The key objectives for defining this leveling criteria include the following.

- Provide a basis for organizational planning and decision-making as it relates to management staffing and the assignment of position responsibilities.
- Identify and validate the qualifications needed to perform an assigned group of duties and responsibilities.
- Provide comparable levels of pay for comparable work by utilizing a systematic method for evaluating individual positions.
- Establish consistent benchmarks for making external salary comparisons to comparable positions in other organizations in relevant labor markets.

The following guidelines will be used when determining the appropriate administrative grade level for MPP positions. Leveling criteria takes into consideration the scope, impact and nature.
the management responsibility and accountability in terms of functional and resource management.

### Position Leveling Criteria

<table>
<thead>
<tr>
<th>Admin Grade Level</th>
<th>Leveling Criteria</th>
<th>Appropriate Titles</th>
</tr>
</thead>
</table>
| I                 | **Overview:** Positions at this level are first level supervisory or management positions or positions that have functional or program management responsibility of a professional nature. Results may be accomplished through support staff or directly by the position.  
**Freedom to Act:** Works under general direction following established policies and protocols.  
**Policy Involvement:** Participates with the management team in the development, implementation and administration of department, division or campus policies. Interprets and recommends modifications to campus policies and develops operational procedures.  
**Impact and Scope:** Impact is typically limited to immediate organizational unit or program with some residual impact on related functional areas. | Supervisor  
Coordinator  
Program Administrator  
Officer |
| II                | **Overview:** Positions at the second level are typically managers with the full scope of management responsibility for at least one functional area. Incumbents provide functional and/or staff management direction for a major program or significant organizational unit. Results are often accomplished through professional staff or lower level supervisors.  
**Freedom to Act:** Works under general direction and independently exercises considerable latitude in determining and achieving functional area/organizational unit objectives.  
**Policy Involvement:** Consults with senior management and develops and implements policies for functional area. Interprets and recommends modifications to campus policies and develops operational procedures.  
**Impact and Scope:** Responsible for achieving functional area/organizational unit objectives. | Officer  
Manager  
Assistant Director  
Associate Director |
| III               | **Overview:** Positions at the third level are typically senior level administrators with responsibility and accountability for a broad functional area, with multiple functions reporting to them. The overall functional area/organization has significant campus impact. Incumbents typically accomplish results through other managers and supervisors. | Executive Administrator  
Director*  
Assistant Vice President |
| Freedom to Act: Acts independently within functional and organizational policy guidelines. Determines overall direction of department or division activities.  
**Policy Involvement:** Responsible for overall administration of assigned functional area. Consults with executive management and administration on department and division activities. Participates in setting department/division strategy.  
**Impact and Scope:** Responsible for achieving department or division goals and objectives. Serves as the prime internal contact and briefs executive management on critical issues. May serve as a spokesperson on sensitive political issues related to the department/division. |
|---|
| IV Overview: The fourth level is reserved for executive level positions. These positions have top level accountability for one or more major organizational units within the university. Incumbents accomplish results through other directors and department heads.  
**Freedom to Act:** Acts independently within functional or broad policy and organizational guidelines. Oversees overall direction of reporting departments and divisions.  
**Policy Involvement:** Reviews the administration of department and division activities. Integrally involved in setting campus and organizational unit strategy.  
**Impact and Scope:** Has broad campus impact related to a variety of programs and/or organizational functions. Serves as a key campus or division spokesperson on politically sensitive matters. |
| Associate Vice President  
Chief Officer  
Dean  
Vice President  
Provost |

*In rare instances, there may be a need to use the Director title at the Administrative II level to provide title comparability to other external organizations. Such is the case of University Advancement where the use of the title Director in fundraising is consistent with industry practice.*

**Appropriate Titles By AGL**

Titles must be appropriate based on the scope of responsibility and accountability assigned to a position using the criteria outlined above. For a variety of reasons, including internal and external comparability, it is critical to maintain consistent titling practices across the campus. As a result, the appropriate titles listed above will serve as prospective campus practice. Current titles will be reviewed as positions are reassigned or vacated to be consistent with the above guidelines.
Recruitment and Appointment
The initial appointment of a candidate is to a position assigned to an administrative grade level (AGL) and a salary within the range assigned to that grade level. The process for determining the AGL and salary are based on the criteria in the previous section. When a vacancy occurs or a new position is created, it provides an excellent opportunity to fully assess the position description and operational needs associated with a position, and based on that information, to make an appropriate internal and external assessment of the position. This assessment must be conducted prior to the actual posting of the recruitment, which includes the administrative grade level and associated hiring range. The compensation package actually offered to a candidate is based on the candidate’s capabilities and qualifications in relation to a number of factors including the position requirements, internal and external considerations, as well as budgetary considerations. Following is a more detailed discussion of the recruitment process and guidelines for determining appointment salaries for MPP positions.

Recruitment Protocols
Monterey Bay has established a recruitment protocol for all staff and MPP positions to ensure as fair and equitable of a process as possible. The Staff & Administrator Recruitment Protocol booklet provides complete and detailed information on all facets of the recruitment process. This process involves the full range of recruitment activity from the recruitment planning phase, to the actual search involving the screening and interviewing of applicants, to the final selection process, to extending an appointment offer, as well as post-selection considerations. In terms of overall campus recruitment and diversity goals, it is critical for UHR to be involved from the initial recruitment planning phase.

From a compensation perspective, it is equally important to consult and work with UHR in planning for a recruitment to ensure that:

- The position level and salary range offered provide for internal comparability.
- The salary range offered is externally competitive enough to attract qualified candidates.
- The recruitment process is complete at the time an actual appointment offer is extended.
- Accurate information is provided when the offer is extended.
- Any salary negotiations take into consideration issues of internal comparability and do not result in internal inequities.

In the recruitment planning phase, the position title, administrative grade level, and hiring salary range need to be identified. An organizational assessment and position needs analysis are the first steps in defining the position duties and requirements. Once a position description has been developed, UHR will work with the hiring administrator to determine the appropriate administrative grade level (AGL) and hiring range within that AGL. At the time the appointment offer is extended, it will be important to assess the candidates capabilities and qualifications against the requirements of the position and the established hiring range. Additional guidelines for setting appointment salaries are provided in the sub-sections to follow.

When to Recruit
A recruitment will typically occur any time a new position has been created or an existing position has been vacated and a replacement is required to fill the position. Open recruitments
are especially critical for positions assigned to AGL III and IV. This is to ensure all qualified internal and external candidates have an opportunity to compete for the position. Additionally, full open recruitments are also essential to fulfill the recruitment and diversity values and goals of CSUMB.

While it is the policy of the university to conduct a full open recruitment for positions, the university does recognize that in rare cases, it might be more appropriate to conduct a limited search based on business necessity. **Limited recruitments will only be considered when it would be a clear detriment to the university to act otherwise.** Typically, recruitments falling into this category would be for the positions that have such unique qualifications that it would be a disservice to the university not to select an identified candidate who possesses these unique skills, which are not matched by any other. Positions that are replicated at other universities or organizations do not fall into this category.

Additionally, in some cases, a position change might be a more appropriate action if the majority of duties of the former position are absorbed into the position versus an entirely new position being defined. However, if a completely new position is defined, then the position must be posted. The guidelines for position changes are covered in the next section of these guidelines: *Position Changes.*

**Regular Appointment Salaries**

Appointment salaries are commensurate with a candidate’s experience and capabilities in relation to the hiring salary range established for the position within the broad administrative grade level (AGL). This range is established taking into consideration the salaries of comparable MPP positions at CSUMB and other CSU campuses, as well as external market considerations. **Additionally, administrators must confirm that adequate funds are available in the division or department budget to cover the appointment salary.**

While the salary of the previous incumbent may serve as a budgetary placeholder, it is **NOT** the best guide for determining an appropriate starting salary for a new employee. This decision is based on an analysis of that specific candidate’s capabilities and qualifications in relation to the position requirements and other internal and external comparability considerations. Following are the considerations, guidelines and approval requirements for appointment salaries. **The actual appointment salary must be approved prior to extending an offer.**

- **Key factors to consider in establishing the hiring range and appointment salary:**
  - An analysis of applicable market data for the position.
  - An assessment of the candidates knowledge, skills and abilities against the overall requirements for the position.
  - An internal assessment of salaries of existing employees in comparable MPP positions.
  - An internal assessment of salaries in relation to employees supervised, especially those covered by collective bargaining agreements.
  - If a hiring salary range will be in the range of $100,000 or more annually, then Presidential approval, regardless of the administrative grade level, must be obtained prior to the initiation of the recruitment.
  - Any recruitment involving a position assigned to AGL IV must also be approved by the President prior to the initiation of the recruitment.
  - Actual budget funds available.
Salary guidelines for appointment offers
- Hiring salaries will generally fall within the hiring range established for the position.
- Hiring salaries that fall outside of the established hiring range, or that are 10% higher than the identified market rate, or are 10% greater than the previous incumbent’s salary require additional documentation and justification including the following:
  - Clear recruitment and retention issues as evidenced by difficult and prolonged recruitments and/or constant turnover in the position.
  - The exceptional qualifications of a preferred candidate in relation to the applicant pool and position requirements.
  - Prevention of substantial salary loss by the preferred candidate.

Approval requirements for appointments and salary offers
- The President must be notified when appointments are made to AGL IV or for salaries over $100,000 annually. Actual approval must be obtained prior to the initiation of the recruitment as discussed above.
- All appointments to AGL III must be approved by the appropriate Vice President.
- All appointments to AGL I and II require the approval of the appropriate department head.
- All appointments outside the established hiring range, or that are 10% higher than the identified market rate, or are 10% greater than the previous incumbent’s salary require the approval of the appropriate Vice President for AGL II and III and UHR for AGL I.
- All appointments where the title is at a higher level than indicated on the Position Leveling Criteria chart included in the section covering Administrative Grade Levels require the review and approval of UHR.

Temporary Appointments
In special circumstances a department may wish to hire a MPP employee for a limited assignment. These are referred to as temporary appointments. Full-time temporary MPP appointments exceeding six months where the employee will be eligible to receive benefits, require that an open recruitment be conducted. Appointments less than six months may be only renewed for a six month period. The assignment of the position to an AGL and the determination of a hiring range, as well as salary approval requirements are the same for temporary appointments as for regular MPP appointments.

Interim Appointment Salaries
Interim appointments are designed to provide continuity in operations when a management position is vacated or the incumbent is on leave for an extended period. To make an interim appointment does not require an open recruitment. However, at the same time that an interim appointment is being made for a vacated position, an active recruitment to fill the position with a regular appointment must be initiated. Typically, the interim incumbent is not performing the full scope of the management responsibilities, but is focusing more on the day to day operations. Given the objective of interim appointments, they are not anticipated to last longer than 12 months and ideally should not last longer than six months. Following are general guidelines for determining the appropriate administrative grade level and salary increase for interim appointments.
Interim MPP Appointment From Bargaining Unit Positions
The interim appointment of a bargaining unit employee to an MPP position must be handled carefully and administrators need to work with UHR to ensure the proper handling of such appointments. Following are general guidelines, but each situation must be carefully reviewed to determine the best course of action.

- **Generally, when a bargaining unit employee is appointed to an MPP position on an interim basis, the appointment will be to AGL I or II.** Often the appointment is made to an administrative grade level below the placement of the regular appointment, which includes the full scope of responsibility. In no case will an interim appointment be to a higher administrative grade level than the regular appointment.

- The incumbent is eligible to receive a salary increase for the duration of the interim appointment. The salary increase will need to take into consideration the differential between the incumbent’s salary and those employees he/she will be supervising, as well as other internal and external comparability factors. It is important to remember that interim appointment salaries do not need to be at the same level as an incumbent with a regular appointment, nor should the interim salary exceed the amount paid to the regular appointment. The following guidelines will apply to salary increases for interim appointments.

  - **5%-9% Salary Increase**
    Once UHR has reviewed the interim appointment and the Department Head has approved it, a 5-9% salary increase may be implemented by management without further review.

  - **9%-12% Salary Increase**
    Increases in this range require the review and approval of UHR after the manager provides a written statement related to the need for an increase at this level based on specific internal comparability factors, such as an appropriate differential between the appointee and those he/she will be supervising.

  - **Salary increases in excess of the guidelines noted above**
    Under rare circumstances, an administrator might recommend a salary increase in excess of the guidelines. In such a case, the administrator must provide a detailed rationale related to the exceptional nature of the situation. The rationale must outline the organizational necessity and relevant internal comparisons and verification of the exceptional skills and abilities of the candidate. UHR will review the request and provide their recommendation to the Vice President on the advisability of the proposed salary increase. In these cases, the Vice President has the final decision authority.

Interim MPP Appointments From MPP Positions
The following guidelines are for interim appointments for employees already in the management personnel plan.
- Typically, an interim appointment is made to an administrative grade level below the placement of the regular appointment, which includes the full scope of responsibility. In no case will an interim appointment be to a higher administrative grade level than the regular appointment.

- Interim appointments require the following approvals:
  - To AGL I and II – Department Head approval
  - To AGL III – Vice President approval
  - To AGL IV – President approval

- The incumbent is eligible to receive a salary increase for the duration of the interim appointment according to the following guidelines. The final interim salary typically will not exceed the salary of the previous incumbent, the incumbent on leave and/or hiring range established for the regular appointment. Again, it is important to remember that the interim appointee typically does not perform the full scope of duties.

  - **5%-9% Salary Increase**
    Once UHR has reviewed the interim appointment and the Department Head has approved it, a 5-9% salary increase may be implemented by the managing administrator without further review.

  - **9%-12% Salary Increase**
    Increases in this range require the review and approval of UHR after the administrator provides a written statement related to the need for an increase at this level based on specific internal comparability factors.

  - **Salary increases in excess of the guidelines noted above**
    Under rare circumstances, an administrator might recommend a salary increase in excess of the guidelines. In such a case, the administrator must provide a detailed rationale related to the exceptional nature of the situation. The rationale must outline the organizational necessity and relevant internal comparisons and verification of the exceptional skills and abilities of the candidate. UHR will review the request and provide their recommendation to the Vice President on the advisability of the proposed salary increase. In these cases, the Vice President typically has the final decision authority, but in some cases the salary action may require the approval of the President.
Position Changes

MPP positions are assigned to an administrative grade level based on a number of factors described in the previous sections (see the section on Administrative Grade Levels). Technically, MPP positions are not placed into classifications the way staff positions are. Instead, a job code is developed and assigned to a position based on the position’s function and category. Function refers to the functional area of the position, such as accounting and finance, student services, and information technology. Category refers to the type of MPP position (such as MPP Administrator, MPP Supervisor and MPP Professional) and the scope and nature of the position responsibilities.

When is a Position Change and Description Update Appropriate

Position changes are defined as increases in position responsibilities that result in moving to a higher salary level within the same administrative grade level (AGL) or to a higher AGL. In some organizations, this is referred to as a promotion. When a position’s function or category change, it may be appropriate to change the incumbent’s job code, resulting in a position change. The determination of the AGL when a position change occurs, as well as the salary level within that AGL, is based on the same criteria as described in the section on Administrative Grade Levels.

Position changes are typically the result of a position’s responsibilities growing in some way. Following are a few general examples.

- The position continues to perform the same functional responsibility, but takes on performing this function for another organization unit. For example, a Budget Officer for a department takes on budget responsibility for the whole division.
- The functional responsibilities of a position expand into related areas. For example, a position previously only responsible for compensation takes on responsibility for recruitment or benefits.
- The position’s responsibilities broaden because the organizational unit has expanded in some way. For example, a student services position that has increased responsibilities and scope because of a significant growth in the student population or a growth in the programs offered or the program has grown from a developmental to operational phase.
- The position’s responsibilities are performed at a higher or more complex level. For example, a position changes from being strictly focused on day to day operations to having a more strategic focus or the responsibilities shift as a result of moving from a developmental to an operational phase.

Position changes, however, are generally not appropriate when the following circumstances exist:

- A reorganization is pending.
- The management position that the position reports to is vacant.
- The employee has yet to perform most of the new duties.
- The recommendation is based on a person-person comparison.
- Ongoing position line dollars do not exist.
**Position Review Process**

Managers have the responsibility for ensuring that MPP employees have accurate and up-to-date position descriptions. Administrators must notify UHR when position responsibilities for an employee have changed significantly. This will facilitate a proactive approach to making an accurate and fair determination regarding position level and compensation. Following are the guidelines for position reviews.

1. Individual requests by the incumbent or managing administrator for a position review may be submitted at any time during the fiscal year. However, it is critical to ensure that the potential cost impact of a position change is evaluated before assigning substantially different duties and responsibilities. It is not appropriate to make promises or commitments to employees prior to the completion of the position review process by UHR and approval by the appropriate party depending on the AGL.

2. UHR will assess and verify how similar positions are leveled and compensated within CSUMB and CSU as a whole. *Having funds available does not guarantee that a position change will be approved.* This decision must be made based on an evaluation of the position’s responsibilities and requirements.

3. Each request must include a copy of the most recent position description outlining the duties and responsibilities that have changed and a copy of the department organization chart. The purpose of this requested documentation is to ensure complete and consistent information is gathered for the position review process.

4. UHR will complete a review of the position change request and determine the appropriate AGL and notify the administrator in a timely manner.

**Funding Position Changes**

While MPP position changes must be funded out of department budgets through permanent salary savings or budget allowances, the trigger for these actions or other salary actions is not merely that funds are available. Position changes need to be based on substantiated increases in position responsibilities and requirements as confirmed by UHR.

**Salary Increases for Position Changes**

The effective date of a position change will be the first of the month following submission of the paperwork to UHR or when the duties are assumed, whichever is later. Retroactive salary increases will not be approved. The guidelines for salary increases associated with position changes are outlined below. All recommendations are dependent upon the department ensuring budget funds are available for the proposed salary increase. In no case, will the new salary exceed the maximum rate established for the AGL.

- **Salary increases 5%-10%**
  Once UHR has reviewed the position change and the appropriate administrator approval has been obtained, increases within this range may be implemented by management without further review.

- **Salary increases 10%-15%**
  Increases in this range require the appropriate Administrator review and approval based on the AGL, as well as the review and approval of UHR. The managing
administrator must provide a written statement related to the need for an increase at this level based on the incumbents qualifications or specific internal or external comparability factors.

- **Salary increases in excess of the guidelines noted above**
  Under rare circumstances, an administrator might recommend a salary increase in excess of the guidelines. In such a case, the administrator must provide a detailed rationale related to the exceptional nature of the situation. The rationale must outline the organizational necessity, relevant internal comparisons, relevant external comparisons and market data, and verification of the exceptional skills and abilities of the candidate. UHR will review the request and provide their recommendation to the Vice President on the advisability of the proposed salary increase. In these cases, the Vice President has the final decision authority for AGL’s I, II and III. The President must approve all salary increases for positions in AGL IV.
MPP Merit Salary Program

The MPP Merit Salary Program guidelines are announced by the Chancellor’s Office each year based on an action by the Board of Trustees. The actual percentage increase guidelines by performance level will be announced each year after the system-wide announcement is made. The following are general guidelines that apply from year to year.

- A common review date evaluation process is utilized for all MPP employees after their preliminary six month evaluation. A performance evaluation must have been completed as part of this process for merit pay consideration.
- When recommending an MPP employee for a merit salary increase it is critical to base the recommendation on ongoing and sustained performance. However, it is also reasonable to consider how equitably an employee is paid for his/her performance contribution in relation to others performing similar work within CSUMB and the marketplace.
- Merit salary increases generally should not place an employee’s salary over the maximum rate assigned to the administrative grade level. However, in extenuating circumstances, a recommendation to exceed the maximum rate for AGL’s I, II, and III may be approved by the President. Approval to exceed the maximum of the AGL IV requires the approval of the Vice Chancellor of Human Resources.
- Annual guidelines will include special eligibility criteria and percentage increase guidelines by performance rating.

General Eligibility Requirements
In order for an employee to be eligible for full merit pay consideration for that fiscal year, any compensation action such as appointment or position change must be effective prior to December 31. When making appointments, position changes, or other compensation actions between January 1 and June 30, it will be important to take into consideration that the incumbent will not be eligible for merit pay consideration for up to 18 months. Merit salary increase eligibility is limited to the annual review process.

Performance Ratings and Definitions
Merit salary increases are granted based on an employee’s overall performance rating. Division Vice Presidents take into consider the scope of responsibility and consistency of the ratings in relation to performance across the division in determining appropriate merit awards. Following is a summary of the performance ratings.

- **UNSATISFACTORY/DID NOT ACHIEVE EXPECTATIONS** – Performance is significantly below expectations and seriously deficient in meeting goals and objectives of specific assignments. Inadequate performance and/or inconsistent performance, which does not meet the requirements for the position. **Detailed plan of specific actions to improve performance required.** The manager may have difficulty improving their performance sufficiently to meet expected standards within a reasonable time.

- **IMPROVEMENT REQUIRED** - Meets some of the areas listed under “fully achieves expectations” however areas of the work performance may be below the expectations for the position. It is reasonable to expect that the manager can, with focused effort, training, and growth, bring performance up to an acceptable level within a reasonable time period. **Plan of specific actions to improve performance required.**

MPP Compensation Guidelines – Effective 7/1/2001 (Rev. 6/02) 18
♦ FULLY ACHIEVED EXPECTATIONS
Consistent performance at expected levels that meet goals and objectives of specific assignments. Work meets standard expectations and shows a clear depth and breadth of understanding of all aspects of the job. Is able to obtain cooperation and high performance from others, takes initiation in all aspects of the job. Work quality and quantity contributes in important ways to accomplish the departments, area and/or university goals.

♦ EXCEEDED EXPECTATIONS
Consistent performance at a level that significantly exceeds the performance of most other employees, often with work at the “exceptional” or “outstanding” level. Work continually exceeds standard expectations and demonstrates an accomplished understanding of all aspects of the job. The manager is recognized by others as extremely knowledgeable in the field and clearly leads by example. Anticipates and develops critical goals in alignment with the university’s strategic direction and ensures their implementation and success.
**MPP Merit Bonus Program**

In the last fiscal year, the MPP Merit Salary Program has been expanded to include a merit bonus program. Under this new program, a one-time merit bonus payment may be made to MPP employees based on the achievement of specific goals or standards established at the beginning of an evaluation period. It is important to understand, that the MPP merit bonus program must be a prospective incentive as outlined in Title 5. This means that the provision under which the incentive will be paid must be spelled out at the beginning of the evaluation period. This program can not be used to provide a discretionary bonus for a job well done; the criteria must be outlined at the beginning of the period and receiving the bonus is based on achievement of the established criteria.

Following are the general provisions to consider in developing a MPP Merit Bonus Plan proposal. All proposals must be reviewed by the Cabinet sub-committee responsible for overseeing MPP compensation programs. This sub-committee will review proposals on a semi-annual basis. Additionally, UHR will review each plan to ensure it complies with the legal requirements of Title 5. Every proposal must include the following information: bonus funding, performance criteria and measures, performance targets, maximum bonus, bonus calculation and payout, and bonus timing. Each incentive proposal will be considered based on the potential benefit to CSUMB as a whole.

- **Eligibility** – All MPP employees are eligible to participate in an MPP Merit Bonus Plan; no administrative grade level is excluded. To be considered for a MPP merit bonus, an employee must be participating in a project that has broad or significant campus impact as determined by the Cabinet sub-committee charged with reviewing merit bonus proposals. Generally, the project on which the merit bonus is based must be above and beyond what is normally required by the employee’s position. An employee may only participate in one merit bonus plan at a time.

- **Bonus Funding** – The funding source must be identified prior to the implementation of any of any MPP merit bonus plan. Generally speaking, individual departments and divisions must identify funds within their budgets.

- **Performance Criteria** – Merit bonus awards must be based on clearly defined performance criteria of apparent benefit to the university. When establishing the performance criteria and targets, it is important to consider the following:
  - The individual or group of individuals under the incentive plan must have a substantial degree of control over the outcomes related to the criteria.
  - The performance period for achieving the specified goals must be defined. The most common performance period is one year.
  - Maintain simplicity and focus on or two substantive performance criteria for the incentive plan.
  - The performance criteria must be specific and measurable, with a clear understanding of how achievement will be measured.
    - Quantitative measures, such as financial criteria, are often considered the easiest to measure, but they are not always appropriate. Financial measures may include meeting budgets or budget savings. Other more quantitative measures include time-based goals, reductions in processing time, and increases in enrollment or retention.
- Qualitative measures are more likely to apply in a wiser range of cases. They rely on criteria that identifies and/or describes what the desired end result will look like. Qualitative measures may include the qualities associated with implementation of a new program such as the effectiveness of the communications for the new program and how easily it was understood by the users. Other qualitative measures include improved customer satisfaction and other process improvements.

- Both quantitative and qualitative measures require defining a mechanism for measuring performance achievements. Again, for quantitative measures, the mechanism is often built in. For qualitative measures other tools such as surveys might be required. For example, in the case of a goal for improved customer satisfaction, the measurement tool might be a customer survey administered at the beginning and end of the performance period.

- **Performance Targets** – Performance targets are essential to determining when and what payouts will be made. Most bonus plans have only one performance target, which is the trigger for determining when the bonus will be paid. However, some bonus plans may provide for another level of achievement for goals which are at an even higher level. Differential payouts are typically associated with each performance target established. More than two performance targets may be difficult to define and administer and may also indicate that the initial target is not a truly substantive goal or incentive.

- **Bonus Maximums** - Overall caps, the maximum awards that will be paid, are important to establish to ensure that awards remain proportionate to achievements and within the realm of reason given public accountability and scrutiny. CSUMB has established a 20% of base salary cap for all MPP merit bonus plans. Generally, to be effective, merit bonuses need to fall within a range of 5-10%, but there may be situations where a lesser amount is more appropriate.

- **Bonus Calculation** – Determining the basis for the award calculation needs to take into consideration the value of the contribution and the appropriate maximum award. There are several options for calculating awards. Most often, awards are calculated as a percentage of base salary. If it is a group award and there is concern about disparate impact or equity, awards can be stated as flat dollar amounts keeping in mind a percentage of base salary target. In some cases, the award might be a percentage of the money saved or raised.

- **Bonus Timing** – Typically, management incentive plans are defined based on a full year performance period. However, it is important to base the award timing on the timing of the project or work outlined in the performance plan.

- **Award Payout** – The formula or measurements for calculating awards needs to be clearly defined, including any differential payouts for more than one performance target. Ideally, award payouts will be made within 30-60 days of the achievement of the performance targets. No payout will occur if targets are not achieved or if the participant terminates employment prior to the end of the performance period.
APPENDIX I

Signature Authority

The purpose of Appendix I is to update and clarify the positions and the names of individuals authorized to officially sign and extend formal offers of employment in writing for the California State University, Monterey Bay campus. This update will ensure that appointment authority designation reflects current organizational assignments at CSUMB and supersedes any previous appointment authority designations.

The appointment letter is the official and legally binding offer of employment extended by the University, therefore, the designation of signature authority for appointment purposes is critical to the University and is limited solely to the individuals as noted below. This authority is not transferable, though in the absence of an authorized administrator a designee can be identified to sign the appointing authority’s name with designee initials at the end of the signature.

FACULTY APPOINTMENTS

The Provost/Vice President of Academic Affairs and the President are the only individuals who may approve formal appointment offers for prospective faculty employees. In keeping with current campus practice, Deans remain authorized to extend, verbally, the terms of faculty appointment offers approved by the President or Provost. Faculty appointment letters must be prepared by University Human Resources (UHR) and may be issued under the signature of the President or Provost only. Copies of appointment letters will be forwarded to the new employee’s Institute Director and other appropriate individuals (e.g. Center Dean) as well as the Business Office, Payroll Office and Benefits Office. A copy will be retained in the employee’s personnel file that is maintained by UHR. Questions regarding faculty appointments may be directed to Mary Roberts, Director of Academic Personnel (ext. 3361).

ADMINISTRATIVE AND STAFF APPOINTMENTS

The UHR Office is the only office designated to prepare written offers of employment for prospective administrative and staff employees. In this context, administrative employees means employees covered by the terms of the Management Personnel Plan who are not being granted concurrent faculty status (also known as retreat rights). Administrative and staff appointment letters must be prepared by the UHR office and may be issued under the signatures noted below in Signature Authority. UHR is the only office designated to prepare written offers of employment of academic administrators for individuals within the MPP when concurrent faculty status is an issue.

Copies of administrative and staff appointment letters will be forwarded to the new employee’s supervisor or other appropriate individual (e.g. Center Dean) as well as the Business Office, Payroll Office and Benefits Office. A copy will be retained in the employee’s personnel file which is maintained in UHR. In keeping with current campus practice, the Provost/Vice President for Academic Affairs and the President are the only individuals who may extend verbal offers of employment to candidates for MPP appointments with faculty retreat rights. Managers remain authorized to extend, verbally, the terms of administrative management and staff appointment offers after the terms of the offer have been finalized with UHR. Questions regarding administrative and staff appointments may be directed to Linda Wight, Director of Human Resources (ext. 3334)
Any commitments to hire made by individuals or groups of individuals other than those indicated above will be considered invalid and could be grounds for disciplinary action. Candidates scheduled to receive an offer of employment or continuing employment are not to start work without a valid offer of employment and a letter of appointment signed by the appropriate administrator and the applicant.

SIGNATURE AUTHORITY
The following individuals have been delegated signature authority for offers of employment as noted below:

Off. Of the President Admin IV Positions: Peter Smith, President

Faculty Positions: Diane Cordero de Noriega
                Provost/VP for Academic Affairs or
                Peter Smith, President

Academic Affairs Admin IV Positions: Diane Cordero de Noriega
                                   Provost/VP for Academic Affairs

Admin/Finance Admin IV Positions: Dan Johnson
                                  VP for Administration and Finance

Student Affairs Admin IV Positions: Karen Mendonca
                                   VP for Student Affairs

University Advancement Admin IV Positions: Scott Warrington
                                          VP for University Advancement

All Support Staff Positions and
Admin I-II-III Positions: Dolores Cole
                        Associate Vice President for UHR

SUMMARY
The appointment authorization and signature authority designated in this memorandum will ensure continuity and consistency in the format of written appointment documents and offers of employment. These documents and their format have been reviewed and recommended by the General Counsel’s Office. Please inform your Deans and Directors of this appointment authority update and direct that they in turn share this information with administrative and staff employees in their Centers/Departments. I thank each of you and your Divisions, in advance, for your cooperation in this critical area.
APPENDIX II  
Title V Provisions  

California Code of Regulations  
Title 5. Education  
Division 5. Board of Trustees of the California State Universities  

Article 2.2 Management Personnel Plan\(^1\)  

§ 42720. Structure  

(a) The California State University Management Personnel Plan is an integrated personnel system addressing the employment rights, benefits, and conditions of those California State University employees designated as "management" or "supervisory" under the Higher Education Employer-Employee Relations Act. The Management Personnel Plan includes four grade levels each with a salary delimited by minimum and maximum rates of salary determined by the Chancellor and approved by the Board of Trustees on the basis of comparative salary data from competitive public and private organizations. The salary ranges may be reviewed and adjusted as the Chancellor and the Trustees deem appropriate.  

(b) The Chancellor or designee shall assign each Management Personnel Plan position to one of the four grade levels within the Management Personnel Plan. The assignment of a position to a particular grade level shall be based on an assessment of the skills, knowledges, and other qualifications needed to satisfactorily perform the position's assigned duties as well as the nature and complexity of the program or organizational unit managed or supervised by the position, the scope of management or supervisory responsibility, job demands, extent of independent decision making authority, accountability, and impact of policies administered and/or decisions made. Working and organizational titles devised by the appointing power may be used to describe a Management Personnel Plan position and the assignment of a position to a grade level may vary from campus to campus depending on an assessment of the circumstances and factors on each campus.  

(c) The Chancellor or designee may review and change the grade level to which a position in the Management Personnel Plan has been assigned using the criteria of subdivision (b). A Management Personnel Plan position shall remain in the grade level to which the position is assigned until a different grade level is assigned by the Chancellor or designee.  


History  

1. New Article 2.2 (Sections 42720 – 42728) filed 10-10-84; effective upon filing pursuant to Government Code Section 11346.2 (d) (Registered 84, No. 41).  

\(^1\) Verbatim copy of actual text from Title 5.  

*MPP Compensation Guidelines – Effective 7/1/2001 (Rev. 6/02)*
§ 42721. Salary Administration

(a) Upon assignment of a position to one of the four Management Personnel Plan grade levels, the appointing power shall determine the salary to be paid and perquisites to be accorded to the employee in the position based upon the appointing power's assessment of the employee's merit and an assessment of the appointing power's need. Although no salary steps are prescribed, salary increments of approximately 1.0 percent shall be established for each salary range to facilitate salary administration and payroll processes.

(b) The appointing power may review and adjust a Management Personnel Plan employee's salary and perquisites. Such adjustment shall be based on the appointing power's evaluation of the employee's merit and the appointing power's need and shall be within funds allocated to the appointing power for such purpose. Adjustments of salary or perquisites or both salary and perquisites of a Management Personnel Plan employee shall be in accordance with a merit evaluation plan developed and administered by the appointing power. Unless otherwise prescribed by law, there shall be no general salary adjustments nor automatic adjustments for such employee. Adjustment of the salary range of an employee's grade level shall not automatically affect the employee's salary.

(c) The Chancellor shall budget a lump sum of money to each campus and to the headquarters office to support salary increases within funds available for this purpose. The Chancellor or President, as appropriate, shall determine the frequency and amount of salary and perquisite adjustments for Management Personnel Plan employees. An annual report of all employee compensation action taken shall be submitted by the campus President to the Chancellor or designee.


§ 42722. Evaluation Plan.

The appointing power shall develop an evaluation plan outlining criteria and procedures for consideration of individual salary adjustments. Evaluation plans require standards of expectation for each grade level against which superior, average, or unsatisfactory performance can be gauged, and against which the amount of a pay increase, if any, can be determined. The evaluation plan requires criteria that will assure equity in pay based on merit factors, including quality, productivity, and the like.

Management Personnel Plan employees shall be evaluated after six-months and one year of service, and subsequently at one year intervals. The criteria and process for evaluation shall be determined by the appointing power. Evaluation shall also form the basis for recommendations for management development, professional leaves or other activities related to career development and upward mobility.


§ 42723. Employment Status.

(a) A Management Personnel Plan employee serves at the pleasure of the campus President or the Chancellor, as appropriate. A Management Personnel Plan employee shall not serve a probationary period and shall not receive permanent status.
(b) A Management Personnel Plan employee who had permanent status in a class prior to January 1, 1984 shall retain permanent status in the class despite inclusion as a Management Personnel Plan employee. A Management Personnel Plan employee who prior to January 1, 1984 was serving a probationary period may be awarded permanent status by the appointing power upon the successful conclusion of the probationary period. Upon acquisition of permanent status such an employee shall retain permanent status in the same manner as an employee who has permanent status prior to January 1, 1984.

(c) A Management Personnel Plan employee who retains permanent status under subdivision (b) and who is placed in or promoted to a position under the Management Personnel Plan shall retain retreat rights as described in this subdivision (c) to the former class in which permanent status is held. Should the appointing power terminate the Management Personnel Plan employee's service in a Management Personnel Plan position, the employee shall have the right to return to the former class in which permanent status is held at the salary last received in the permanent class.

(d) Except in the case of layoff, the President or Chancellor, as appropriate, shall give a Management Personnel Plan employee notice of termination at least three months prior to the employee's separation date or shall give a Management Personnel Plan employee corresponding salary in lieu of notice.


§ 42724. Promotion.

The appointing power may promote a Management Personnel Plan employee to a position with greater compensation either within the grade level to which the employee's position is assigned or to a different grade level. A promotion may be made after the appointing power has determined that the promotion is appropriate in light of its evaluation of the employee and the needs of The California State University. A promotion shall be made to a position which has been duly established by the Chancellor or designee, assigned by the Chancellor or designee to the appropriate grade level, and made available by the Chancellor or designee for use by the appointing power. Promotion actions will be in accordance with affirmative action guidelines and objectives.


§ 42725. Reassignment

The appointing power may assign a Management Personnel Plan employee to different duties in the same position or may reassign a Management Personnel Plan employee to a different position either within or outside of the grade level or the Plan when the appointing power determines that such assignment or reassignment is in the best interests of The CSU.

§ 42726. Holidays, Vacation, and Sick Leave.

(a) Holidays. A Management Personnel Plan employee shall be entitled to holidays as provided in Section 42920 of this Subchapter 7.

(b) Vacation. A Management Personnel Plan employee shall accumulate vacation at a rate of 2 days per qualifying pay period and may accumulate vacation in an amount not to exceed 384 working hours for 10 or less years of qualifying service and 440 working hours for more than 10 years of qualifying service as provided in Sections 42902 and 42909, respectively, of this Subchapter 7. Any vacation which the appointing power allows to accumulate beyond the maximum shall be taken in the first quarter of the next calendar year. Vacation shall be taken as directed or authorized by the appointing power and shall be scheduled by mutual agreement whenever possible.

(c) Sick Leave. A Management Personnel Plan employee shall accumulate 8 hours of credit for sick leave with pay following completion of one month of continuous service. Thereafter for each additional calendar month of service, one day of credit for sick leave with pay shall be allowed. Sick leave may be accumulated without limit. Each Management Personnel Plan employee may be required by the appointing power to provide proof satisfactory to the appointing power of the necessity of taking sick leave.


§ 42727. Professional Development.

(a) Professional development, maintenance of currency in the field, and professional improvement are normal requirements for retention and advancement in a position in the Management Personnel Plan. Each Management Personnel Plan employee is responsible to maintain currency in the field and to develop and improve management or supervisory skills whether at California State University or personal expense.

(b) A Management Personnel Plan employee may participate in programs and activities determined by the appointing power to develop, update or improve the employee's management or supervisory skills. The programs and activities may include professional leaves, administrative exchanges, academic course work and seminars. A Management Personnel Plan employee may participate in a program or activity only after the employee's participation has been approved by the appointing power and only to the extent that funds are available for this purpose.


§ 42728. Reconsideration.

The Chancellor or the President, as appropriate, may prescribe an informal means of hearing complaints from Management Personnel Plan employees who serve in the Headquarters Office or at a campus of The CSU. The informal procedures so prescribed shall be the exclusive administrative remedy available to a Management Personnel Plan employee to address the employee complaints or to seek reconsideration of any personnel decision allegedly adverse to the interests of the employee. The procedures so prescribed shall not apply to hearings on employee discipline under Section 89539 of the Education Code.

APPENDIX III

General Definitions

Administrative Grade Level (AGL) – Four administrative grade levels are defined for compensating employees in the management personnel plan. Each grade level is assigned a very broad salary range with a spread of about 150% from the minimum to the maximum rate. Positions are allocated to an administrative grade level based on the scope and nature of the management responsibilities. Placement within an AGL is based on a review of comparable internal and external positions.

Bonus – A lump sum award, not added to base salary.

Broadband – A compensation strategy that collapses salary ranges into fewer, broader ranges. The bands may range in width from 70% to 150% and often encompass numerous occupational groups.

Category – In the management personnel plan, positions are allocated to the administrative grade levels based on the position’s function and responsibilities, and the position’s category. Category essentially defines the type and scope of management responsibilities. Three main categories are defined: MPP Administrator, MPP Supervisor and MPP Professional. Within each category, broad criteria are defined for different levels.

Hiring Range – The salary sub-range established within one of the broad administrative grade levels for hiring purposes. This range is developed based on an analysis of internal and external salary levels for comparable positions.

External Equity – External equity is a measure for determining pay comparability of internal pay rates with those in other organizations for comparable positions. When referring to external comparisons, the general terms used are the external marketplace or labor market.

Incentive – A lump sum award for achieving a predetermined set of performance criteria. The criteria are considered above and beyond normal performance expectations but still fall within the parameters of an employee’s classification.

Internal Equity – Internal equity is a measure of the relative value of positions in relation to one another within the same organization based on an analysis of job responsibilities and requirements.

Job – A collection of responsibilities and duties, that considered as a whole, constitute the assignments of one or more individuals. A position is a job with a specific incumbent with a specific set of work assignments.

Merit Bonus Program – A program recently approved and introduced by the Chancellor’s Office. The program provides for the payment of bonuses for the achievement of predetermined goals established at the beginning of an evaluation period.
Pay-for-Performance – A compensation strategy that encourages differential salary increases or awards based on an individual’s success in achieving established performance criteria.

Position – A particular job occupied by an incumbent with a specific set of work assignments and requirements.

Position Description – The description for a specific position.

Promotion – Under Title 5, MPP promotions are defined as increases in position responsibilities that result in moving to a higher salary level within the same administrative grade level or moving to a higher administrative grade level.

Salary Range – The specified range of pay for a position. Each salary range has a minimum rate and a maximum rate.