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MEMORANDUM

HUMAN RESOURCES

To: Vice Presidents/Division Heads and  
and Divisional Human Resource Coordinators

DATE: October 7, 2004

From: Milton A. Gordon  
President *MA Gordon*

Subject: Updated procedures for the administration of MPP compensation programs.

This memorandum describes the standard compensation process Human Resources (HR) and Vice Presidents/Division Heads will use when setting Management Personnel Plan (MPP) appointment salaries and evaluating proposed MPP compensation changes prior to submission to me for approval. Significant responsibility for the administration of MPP compensation was delegated to campus Presidents by the Office of the Chancellor (Title 5, §42721). As such, HR will continue to assist me through developing and implementing effective MPP compensation programs that meet the challenges of our campus environment.

The Chancellor's Office has provided two primary methods for Presidents to implement pay changes for MPP employees outside of the Merit Increase Program, when funds are made available. These are the MPP Equity Increase Program, and through Reassignment (Title 5, §42725 and Title 5, §42721). Most of the guidance with regard to MPP compensation follows from the HR letters (in parentheses below).

1. MPP Equity Increases (HR 2002-19):

- Increases are approved only in rare circumstances based upon appropriate documentation.
- They must be reported to the CSU Vice Chancellor of Human Resources.

HR will identify and present documentation in support of such an increase prior to Presidential authorization of an Equity Adjustment.

2. MPP Assignment Changes (HR 2002-20 and 2004-14):

- Occurs when there is a change in responsibilities/assignments that result in a change to MPP job code. This code is different from the Administrative Grade Level (AGL) I, II, III, and IV). It is assigned by HR based on a review of the position description. The job code is used to describe the functional area and relative level of decision making authority of the position. The job code is used by the Chancellor and is needed in the Payroll system to process pay increases.
- It is the policy of the CSU that campuses provide position descriptions to MPP and staff when there is a substantial change in position duties and responsibilities. Division heads will provide HR with a revised position description which demonstrates the assignment of responsibilities and which supports their assignment of a new MPP Job Code. A determination will be made if the assignment of these responsibilities is temporary or on-going, if the position will be Acting or Interim, and if the position will be posted for recruitment.

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It follows that, prior to my review of a request for establishing an MPP appointment salary or salary change, HR will conduct a compensation analysis and provide a recommendation to the VP/Division Head.

The analysis will typically consist of an internal equity review and an external equity review utilizing relevant available CSU and non-CSU data sources.

- If HR and the Vice President/Division Heads are unable to agree on the same course of action, the Vice President for Administration will review and propose recommendations to me.
- Should I authorize an appointment or compensation change for an existing MPP, HR will prepare the employee memorandum for my signature, and route copies of the letter to Payroll to ensure proper processing.

Proactive consultation with our HR office will facilitate effective use of the process described above. Thank you for your cooperation and willingness to ensure that this process is a success.

MAG:nm

c: Dr. Willie Hagan, Vice President for Administration  
Mr. John Lynn, Executive Director, Office of Human Resources✓