

	Procedures: Salary Administration – New Hires, Promotions, Reclassifications, Reemployment, and Annual Increases	Responsible Administrative Unit: Administration & Operations
	Issued: December 14, 2004 Revised: June 1, 2016	Policy Contact AVP Human Resources mdougher@mines.edu

1.0 BACKGROUND AND PURPOSE

The Colorado School of Mines (Mines) intends that employee salaries are equitably established. In addition to salary determinations for new hires, employee salaries can change for job reclassifications, reemployment, promotions, demotions, transfers, equity adjustments, annual pay increases, for compliance with federal or state requirements, or for other reasons. Salary levels and changes also may be governed by the State of Colorado Personnel Board Rules and Director’s Procedures.

The following procedures will help employees and supervisors understand the considerations and processes used to make salary and salary change-related decisions and provide guidance in determining salary levels and changes.

2.0 SALARY PRACTICES

2.1 Department Request. Mines works to assure that salary decisions related to new hires, promotions, demotions, transfers, job reclassifications, equity, reemployment, or other adjustments are made in a reasonable manner. The department initiating any of these actions is responsible for requesting a desired new salary for the employee as described in the procedures below.

2.2 New Hire Salary. In general, new hire salary requests should not exceed the mid-point of the pay grade for those positions with officially established pay grades. For positions that do not have a pay grade, new hire salary requests generally should not exceed prevailing salaries for the position. Human Resources can provide information about salary range mid-points and prevailing rates.

2.3 Salary Change – Promotion or Reclassification. If a salary change is due to a promotion or reclassification, the salary target should not exceed the mid-point of the salary grade for those positions with officially established pay grades. Promotion or reclassification salary changes are not limited to a particular percentage increase but must be reflective of the magnitude of size of the job change and reasonably consistent with Mines’ pay practices. If the promotion or reclassification is within the Classified personnel system, the new salary cannot be less than the minimum of the new pay grade (also see 2.5 below).

2.4 Salary Change – Moving to a Lower Level Job. If a change to a lower level job is involved, there generally will be an accompanying salary action to a reduced salary level.

2.5 Salary Change – Transfer. If a transfer is involved, absent extraordinary, documented conditions, no salary change will occur.

2.6 Equity or Other Adjustments. Salary changes for equity or other reasons are not limited to a particular percentage increase and must be reflective of prevailing salary data for the position. Written justification for such changes must be made by the requesting

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department, division, or college and can only occur after proper approvals have been obtained consistent with the procedures below.

2.7 Classified Positions. If the position is a classified position, in accordance with State of Colorado Personnel Board Rules, the new salary must be at least the minimum of the new pay grade and may not exceed the pay grade maximum (except in “save pay” situations).

2.8 Prerequisite to Salary Offer/Change. Prior to any salary being offered to an applicant or an employee, the department making the hire, promotion, reclassification, or other adjustment must ensure that adequate labor budget exists *in the position* to pay the salary. Establishing or securing funding for any initial salary or increase in salary is the responsibility of the employing department. *No new hire salary or salary increase may be put into place without the identification of sufficient position base labor budget to support it. No new hire salary or a salary change can be made until the following procedures have been completed. Departments may not offer or commit to a salary without first completing these procedures.*

2.9 Retroactivity. Absent extraordinary circumstances, salary changes cannot be made retroactive to prior months. If retroactivity is desired, the department head, director, and/or dean must provide a written justification to his or her executive (e.g., Provost, Vice President). The executive will consider the justification in consultation with the Associate Vice President for Human Resources. If the executive decides to concur with the request, he or she will obtain agreement from the Executive Vice President for Administration & Operations prior to approval. If the executive or the Executive Vice President for Administration & Operations do not agree with approving a retroactive pay change, they jointly will discuss the request with the President who will make the final decision.

3.0 PROCEDURES

The following procedures apply to Administrative Faculty, Classified, Athletics Faculty, and Research Faculty (whose title does not include rank, such as, Research Professor, Research Associate Professor, etc.) employment categories.

3.1 Written Request. The employing department will make a written salary request via memo or e-mail to Human Resources. The request must contain the department’s rationale for the salary it is requesting. Such a request is necessary for new hires or when changes in an employee’s employment occur due to job reclassification, reemployment, or promotion, or for any other adjustment to salary other than an annual pay increase.

3.2 Considerations. In the salary request, departments are asked to consider, but are not limited to, the following: 1) the nature of the reason for the change, 2) the performance of the employee, 3) the employee’s relevant education, 4) the nature and amount of the employee’s experience (both internal and external), 5) the magnitude of the change in the employee’s job, State of Colorado Personnel Board Rules and Director’s Procedures (if applicable), and 6) other factors as appropriate.

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3.3 **Salary Analysis.** Human Resources will perform a salary analysis of the request using available market survey data, internal equity comparisons, the department’s rationale, and other relevant factors. Prior to sending its final salary analysis to the area executive (a vice president, a dean, the Provost, or the President), Human Resources will discuss its analysis with the requesting department. Human Resources will also consult with the area executive on the decision as needed.

3.4 **Department or Area Review.** The area executive will determine the appropriate salary and communicate his or her decision to Human Resources. If the decision of the area executive exceeds the general principles outlined in [2.0 Salary Practices](#) above or is not consistent with the bounds of the salary analysis performed by Human Resources, final decision and approval must be obtained from the Executive Vice President for Administration & Operations.

Prior to the salary authorization, the following must occur:

3.4.1 **Budget Office allocation.** For all positions except those that are grant or contract funded (see 3.4.2 below for positions funded through grants or contracts), initial salaries or increases to an employee’s salary cannot be completed or communicated to the employee until the Budget Office confirms that funds are identified and allocated to the account from which the employee is paid.

3.4.2 **Grant or Contract-funded salary.** In addition, prior to obtaining final salary authorization from the area executive as outlined above, initial salaries or increased salaries funded from grants or contracts must be authorized by the principal investigator, the department head/division director, and be confirmed by the Office of Research Administration (to assure adequate budget exists and that the change is allowed under the grant or contract terms). This must occur prior to any communication to the affected employee.

3.4.3 **Salary Action Limitation.** In the event that funds to support the new salary cannot be identified (or are not permitted for those positions that are externally funded), the salary action cannot be completed.

3.4.3. A. For Classified employees, in concert with State of Colorado Personnel Board Rules, a salary increase is not mandated and the promotion, reemployment, or reclassification may occur without a change in salary. The exception to this rule is that the employee must be paid at least the minimum of the new pay grade.

3.4.3. B. If budget cannot be identified to pay at least the new pay grade minimum, the employee will not be asked or expected to perform the increased responsibilities and the position will revert to its prior position description and classification.

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3.4.4 Approval required. **No salary agreements or promises can be made by the employing department to an employee prior to the salary decision being made and approved in concert with these procedures.**

4.0 ANNUAL PAY INCREASES

Each year, annual pay increases may be made by Mines. For years when annual pay increases are authorized, the protocols used, including whether increases will include base salary adjustments, one-time payments, or both, will be determined by the President for all employee groups except for State Classified employees whose pay increase rules are determined by the State Personnel Director.

5.0 RECORDS RETENTION

The Human Resources Office will retain records relating to salary actions taken under these procedures for at least three (3) years, as otherwise required by statute, or State of Colorado Personnel Board Rules and Director’s Procedures.

Revision history:

- Initial version December 14, 2004
- First revision dated October 6, 2009
- Second revision dated January 18, 2011
- Third revision dated August 27, 2015 (addition of headings and formatting)
- Fourth revision dated February 11, 2016
- Fifth revision dated June 1, 2016 (changed name of Finance & Administration division only)