

MEMORANDUM

TO: Deans, Directors and Department Heads

FROM: Marie Y. Williams, Associate Vice Chancellor for Human Resources *Marie Y. Williams*

SUBJECT: Important Update – Salary Freeze, Annual Raise Process (ARP), and 2019 Special Annual Bonus Leave

DATE: October 31, 2019

As discussed in the 3D memos dated July 11, 2019 and August 13, 2019, in the absence of an adopted State Budget for FY 2019-2021, the Office of State Budget Management (OSBM) issued a temporary freeze effective July 1, 2019 for many types of salary adjustments.

Effective immediately, per guidance from OSBM, **the salary freeze for reclassification, labor market, equity, additional duties etc., has been lifted with the following caveats:**

1. No salary increase shall be implemented that relies on entirely new funding expected in the FY 2019-2020 budget until such funds are officially appropriated in an enacted State budget or through an enacted mini-bill.
2. Increases should not rely on funding that is identified as a potential budget cut in any of the pending budget bills for FY 2019-2020. This is to ensure that new permanent salary commitments are not made against funding that is not yet confirmed or may be at risk for any reason.

Otherwise, existing eligible funding sources in the FY 2018-19 budget or from non-State appropriations may be used to address salary actions that were previously delayed by this freeze.

It is important to note that:

1. Generally, salary actions are processed on a current basis only, however, retroactive effective dates within the current fiscal year will be considered for PeopleAdmin actions previously entered but delayed by the freeze. University Human Resources will contact units with instructions for processing approved salary actions. Please note, approved salary actions with retroactive effective dates must be entered into PeopleSoft no later than December 31, 2019.
2. The Board of Governor's reporting and consultation process impacting salary actions resulting in a salary of \$100,000 or higher and new positions budgeted at \$70,000 or greater remains in effect until statutory language rescinding it is enacted.
3. The UNC System Office has not released Annual Raise Process (ARP) instructions or authorized the implementation of 2019 Special Annual Bonus Leave at this time.

Any changes to the foregoing will be shared as they are received from the UNC System Office. For more information, contact Lori Preiss, Director of Classification and Compensation at lpreiss@ncsu.edu.