

Compensation Pool Description

The Compensation Pool is budgeted in University Wide to cover anticipated increases in benefit costs that are funded centrally, such as the budget shortfall mitigation bonus (BSM) for Unit 4 employees, increases to health and dental rates, and general salary increases negotiated in the Collective Bargaining Agreements with the CSU Employees Union.

Budget Update

The table on the right shows the Compensation Pool budget, the 2013-14 BSM Bonuses, and increases to health (+3%) and dental (+5%) rates for calendar year 2014. The fiscal year 2013-14 includes seven months of the rate increase. The remaining five months will need to be funded in 2014-15.

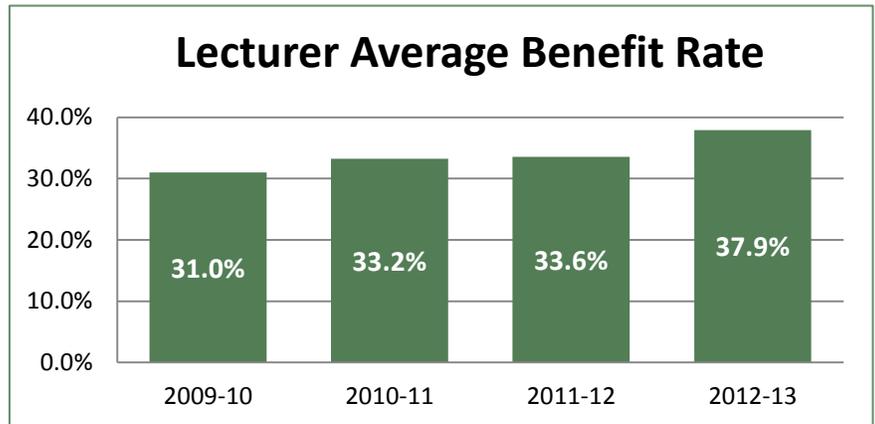
Description	Amount
Original Budget	\$ 444,320
BSM Bonus	\$ -50,000
7 Months of Rate Increases	\$ -200,128
Budget Balance Remaining	\$ 194,192

Savings from CSU Compensation Increase Funding

The CSU provided an additional \$960,000 to HSU to cover compensation increases that took effect July 1, 2013. The UBO estimates a savings of approximately \$100,000 from this pool. The increases will be fully implemented by February, 2014, so the UBO will bring a complete compensation pool budget update to the URPC in the spring.

Temp Faculty Pool Benefits

The position inventory contains faculty pools that are used to fund temporary lecturer salaries and benefits. These pools have a defined benefit rate equal to a percentage of their budgeted salaries in the position inventory. Historically, the rate was 31% then it was increased to 32% where it has remained for a few years. The graph at the right shows the actual lecturer benefit rates for the last four years. The policy of the University Budget Office (UBO) is to adjust the rate when it is no longer adequate to cover the actual benefit costs. Rate increases have led to the need to adjust the rate one-time in 2013-14 and in the base budget for 2014-15.



Proposal to Increase Temp Faculty Pool Benefit Rate

The UBO proposes to the URPC a benefit rate increase of 6% for the temporary faculty pools, which is a total of \$223,132. This will bring the temporary faculty pool benefits ratio from 32% to 38% of salaries.