Central campus has made a commitment to provide funding to schools, colleges, and other campus units to help address compensation issues for faculty and staff. This financial support was generated through reallocation of internal campus resources and is being distributed through three initiatives:

- **Block Grant for Faculty Compensation Adjustments** is intended by campus to provide base salary increases for up to 20% of faculty.
- **Discretionary Compensation Fund (DCF)** is intended by campus to provide base salary increases for up to one-third of academic and university staff as well as limited employees.
- **Performance Bonus Fund** provides one-time lump sum increases for faculty and staff.

We are grateful to campus for providing this funding, which will allow us to continue to address targeted salary issues for selected faculty and staff in the College. While these initiatives do not provide funding for increases to all faculty and staff, the new state budget includes a phased pay plan (4% total) in 2018-19. Funding for the pay plan will be used primarily to provide across-the-board increases, though we anticipate departments will need to allocate a small portion in a more discretionary manner. Details about implementation of the 2018-19 pay plan will be sent later.

Authority for use of these funds is delegated to Deans. Within L&S, under our tally sheet accounting rules, each department will receive credit for a share of the campus funds, and then pay the full cost of raises. The College will allocate funds based on an average of payroll expenditures and FTE. DCF allocations for staff will be based on 101-funded positions; the faculty block grant allocations will be based on faculty paid on all funds. We will make separate tally sheet entries to indicate ongoing credits targeted for base-building raises to faculty, academic staff/limited appointees, and university staff. We will make a single tally sheet entry to indicate the one-time credit available for performance bonuses for all types of employees.

We anticipate that departments will spend the majority of these funds on raises to be effective in January 2018. However, expectations for the timing of raises vary somewhat for faculty and staff, as explained in more detail below. Each L&S department should submit requests to L&S by November 20, 2017. Implementation guidelines and details of the submission processes are provided in each section below.

Departments are responsible for explaining to faculty and staff the department’s decision-making process for raises and bonuses. To verify appropriate communication has taken place, departments will need to submit the emails or memos sent to staff along with their salary requests to L&S HR. As we all continue to address concerns raised in last year’s L&S Climate Survey Report, we are grateful for your efforts to maintain and enhance transparency of departmental decision-making.
Department-Specific Information, Including Summary of Allocations

Department-specific materials from the College will be distributed through department box folders (folder structure is Budget Office, Salary Exercise Documents, FY18), including a summary document showing ongoing tally sheet credits for the faculty block grant and DCF, as well as the one-time tally sheet credit for performance bonuses (faculty and staff combined).

Request forms for faculty block grant increases and performance bonuses for faculty will be made available in box folders, along with Five-Year Rate Histories (see faculty block grant section of the memo for more information).

Spreadsheets with DCF eligible 101-funded academic, limited and university staff will be distributed via email, along with more detailed instructions for submitting DCF and performance bonus requests.

Contacts:

- For faculty salary exercise, including the submission process:
  
  Joyce Helt (263-2312, joyce.helt@wisc.edu) or Anne Gunther (263-2347, anne.gunther@wisc.edu)

- For DCF exercise, including the submission process:
  
  Cheryl Adams Kadera (263-2315, cheryl.adamskadera@wisc.edu)
  Diana Allaby (263-4964, diana.allaby@wisc.edu)
  Daun Wheeler (263-2591, daun.wheeler@wisc.edu)
  Alisha Arnold (263-2321, alisha.arnold@wisc.edu)

- Tally sheet accounting, available resources, funding:
  
  Mary Beth Roberts (263-6894, marybeth.roberts@wisc.edu)
Faculty Block Grant

Implementation Guidelines

Following our practice from last year, the College is again holding back a portion of the faculty block grant to cover the expected cost of the two types of faculty raises — standard promotional adjustments and permanent salary adjustments for outgoing chairs — that are not charged to departments. At the same time, your tally sheet credit for faculty has been increased to include funding for the post-tenure raises to be submitted later this year. In total, $1.45M is being allocated to departments through tally sheet credits.

While the College aspires to provide departments with as much flexibility as possible to address their own unique circumstances, we also need to honor campus intentions for the faculty block grants. We thus offer the following guidelines for faculty raises:

- As already noted, central campus intends the faculty block grant to provide base salary increases for up to 20% of faculty. L&S is not imposing this campus-wide target on individual departments. However, given the guidelines below, departments will not be able to provide broad compensation increases to faculty through this exercise. The pay plan in 2018-19 will provide that opportunity.
- We expect most departments will spend at least 50% of their share of the faculty block grant for January 2018 raises. Please carefully consider highly productive faculty who have not obtained raises through outside offers or preemptive retentions.
- Raises should be based on market/equity, compression, or performance considerations. Please note that faculty who supervise continuing academic or university staff must be current with their employee evaluations to qualify for performance-based increases.
- Departments are not permitted to spend more than 100% of their share of the faculty block grant for non-retention salary increases using 101 funds (i.e., through tally sheet charges).
- It may be prudent for departments to reserve some portion of the block grant (spending less than 100%) in anticipation of supplemental increases for spring promotions or future retentions. While divisional associate deans may authorize additional spending for these purposes throughout the year (outside of this formal salary exercise), departments will receive no further tally sheet credits. Any spending in excess of the department’s share of the faculty block grant will reduce the department’s ongoing tally sheet balance.
- Starting this year, the faculty block grant includes additional funding for post-tenure review increases. Departments may thus wish to also reserve some portion of the block grant (spending less than 100%) in anticipation of any post-tenure increases to be requested later this year. Please note that requests for post-tenure review increases must be submitted along with the post-tenure reviews, no later than March 1, 2018 (approved increases will be effective in August, 2018).
- Last year, central campus provided funding for the post-tenure review exercise after the College had already allocated tally sheet credits for faculty block grants. We will thus post retroactive tally sheet credits for that exercise alongside last year’s faculty block grants. Because credits for the post-tenure exercise are proportional to your department’s overall faculty payroll and FTE, the increases made last year (posted to the tally sheet in FY18) may be higher or lower than the credit received, depending on the number of faculty under review. Such variation in spending is normal and should average out over time.
- Divisional associate deans may provide further guidance about minimum or maximum spending expectations for particular departments. You are encouraged to consult with your divisional associate dean before submitting a proposal.
- Departments that wish to supplement 101 funds with non-101 funds should obtain pre-approval through the divisional associate dean.
• Departments that believe they have sufficiently large and stable annual surpluses from summer term (fund 131) and wish to make permanent commitments (through increases to base salaries) can discuss their situation with their divisional dean. However, in general, departments are encouraged to use summer surpluses to award (one-time) performance bonuses instead.
• Salary increases effective January 2018 must be at least 3%, whether based on performance, market/equity or compression considerations.
• Campus rules limit performance increases to 10% per fiscal year (whether base building or one-time lump sums).

Faculty Salary Reports

The campus office of Academic Planning and Institutional Research (APIR) provides a number of faculty salary reports that may be useful as you review faculty salary data:

• Faculty Salaries by Department (Scatterplots) – 2016-17 salaries
• Faculty Salary Peer Comparisons for UW-Madison Departments (AAUDE) for 2016-17 by Department and Professorial Rank

Five Year Rate History reports will be available in departmental box folders within the next few days. These history reports may help to identify trend lines (including faculty who have not received recent increases) and provides basic salary information by year. Please note:

• Salary figures generally reflect the salary effective in October of each academic year – however, the most recent figures, for 2017, reflect rates effective in August of 2017;
• Similar to the scatterplots available through APIR, temporary base adjustments (TBAs) are included in the salary figures;
• Faculty appear only in their primary home department (i.e., faculty do not appear in all departments in which they are funded).

Promotional Base Adjustments

Following past practice, promotional adjustments will be processed later in the year outside of the current exercise. However, for planning purposes, it may be helpful to know the following:

The standard promotional increases for L&S faculty being promoted in 2017-18 will be the higher of the following two options: the fixed dollar amounts set by campus or 10% of salary. Departments will not be charged for any portion of these standard promotional costs. Although the 2017-18 fixed amounts are not yet available, we anticipate a $100-$200 increase over last year’s fixed amounts ($7300 for promotion to associate professor; $9400 for promotion to full professor – for nine-month faculty). The standard promotional increases will become effective in late August as in the past.

In some cases, supplemental salary adjustments may be needed, beyond the standard promotional increases. The amount of these adjustments will depend on internal departmental and external market factors, with any approved increases becoming effective in late August as in the past. Not all faculty members being promoted will receive a supplemental salary adjustment. Costs of any supplemental increases will be charged to department tally sheets.

Faculty with joint appointments

Block grant and performance bonus allocations generated on faculty salaries funded in interdisciplinary programs and centers have been redirected to home departments for the purpose of these salary exercises. In conducting
the salary review process, home departments should consult with interdisciplinary programs as appropriate. However, the home department will receive all tally sheet credits and incur all tally sheet charges.

For faculty with budgeted appointments in two or more tenure-granting departments, these departments should consult with each other as they have in the past. Tally sheet credits have been allocated to the departments in proportion to budgeted appointments; raises and bonuses will be charged to department tally sheets in the same way.

**Chairs and Directors**

Departments may wish to request salary increases for current chairs and directors as part of this salary review process; costs of any increases will be charged to department tally sheets. The salaries of outgoing chairs and directors are reviewed each year by the Dean at the end of their terms, with any increases becoming effective in late August, with the cost covered by L&S.

**Vilas and Hilldale Professors**

The salary review of Vilas and Hilldale professors should be handled at the department level, with costs of increases charged to department tally sheets.

**Submitting Proposals**

You will need to complete the attached Faculty Salary Adjustment Request Form for each faculty member for whom a mid-year raise or bonus is being requested.

- *If the proposed final salary is below the AAUDE peer salary in rank (or if the request is for a one-time performance bonus),* the department need only provide documentation of meritorious performance. Please submit a summary of annual review ratings over the past three years, and a brief paragraph summarizing the faculty member’s key contributions.

- *If the proposed final salary is above the AAUDE peer salary in rank (or for departments for which no AAUDE peer salary information is available),* please provide documentation of market, retention, and/or equity concerns, as well as documentation of meritorious performance as noted above. Limit your response to a maximum of one page. We will contact the department chair if additional documentation is needed.

Along with these Faculty Salary Adjustment Request forms, each department must submit:

- a memo or spreadsheet showing the itemized total of all requested base increases for faculty;
- the bonus request spreadsheet for faculty (blank spreadsheet format will be provided in box folders);
- a narrative of the criteria and department process used to determine raises and bonuses. Limit your response to a maximum of one page.

All materials should be sent via email to joyce.helt@wisc.edu by November 20, 2017.
Discretionary Compensation Fund (DCF)

Implementation Guidelines

Recognizing the limited funding available in recent years for staff raises, the College is again supplementing the DCF allocation by 30% to bring the total to $730K. Department tally sheets will include separate credits for academic staff/limited appointees and university staff to show the amounts targeted to each group.

While we need to adhere closely to campus intentions for the DCF allocation, the College supplement permits departments some flexibility in the structure and timing of staff raises. We offer the following guidelines for staff raises:

- As already noted, central campus intends the DCF to provide base salary increases for up to one-third of academic and university staff and limited employees. L&S is not imposing this campus-wide target on individual departments. However, given the guidelines below, departments will not be able to provide broad compensation increases to staff through this exercise. The pay plan in 2018-19 will provide that opportunity.
- University, academic and limited staff are eligible for DCF adjustments, with the following exceptions: university staff temporary employees (TEs), rehired annuitants, employees who will still be serving a probationary or evaluation period as of 1/1/2018 and any employees that have not completed the online training to prevent sexual harassment and sexual violence. In addition, staff who are already at the maximum of their pay range are not eligible for DCF increases (you may wish to consider performance bonuses for staff in this situation).
- We expect most departments to spend at least 75% of their share of the DCF allocation for January 2018 raises based on performance or market/equity considerations. Given the limited market data currently available for staff, we further expect most of these raises will be performance-based.
- Our advice for this exercise is to gather input from all supervisors regarding performance of their staff members, consider the overall salary structure and the set of tools available, as well as recent increases and opportunities for future increases.
- With limited funding and many deserving employees, priority should be given to employees who did not receive a bonus or pay increase last year.
- Departments should give special consideration to employees in low-wage categories (e.g., office support, blue-collar, and technical support).
- This fund is not to be used as a substitute for promotions or rate adjustments based on change in job duties, which should continue as usual.
- Departments are permitted to spend up to 125% of their share of the DCF allocation on January 2018 raises using 101 funds (i.e., through tally sheet charges). Of course, any spending in excess of the tally sheet credits will reduce the department’s ongoing tally sheet balance.
- Departments may wish to reserve some portion of their share of the DCF allocation for other types of raises (e.g., change in duties, or promotions in title series) anticipated later this fiscal year. No further funds will be provided this year for this purpose.
- Departments are expected to spend at least 100% of their share of the DCF allocation on raises by the end of the fiscal year.
- Departments should adhere to these minimum and maximum spending guidelines for each type of staff (not reallocating between academic staff/limited appointees and university staff). In exceptional circumstances where some reallocation is warranted, departments should consult with L&S HR or the divisional associate dean for pre-approval.
- Departments that wish to supplement 101 funds with non-101 funds should obtain pre-approval through the divisional associate dean.
• Departments that believe they have sufficiently large and stable annual surpluses from summer term (fund 131) and wish to make permanent commitments (through increases to base salaries) can discuss their situation with their divisional dean. However, in general, departments are encouraged to use summer surpluses to award (one-time) performance bonuses instead.

• Solid performance, documented through a recent performance review, is a necessary condition for all raises. Supervisory staff must be current with their employee performance evaluations to qualify for raises. In cases where staff members have not been recently reviewed, the department should still consider these staff members for raises through the current salary exercise, and then work with the supervisors to complete the performance reviews. Employees should not be penalized for the failure of supervisors to follow campus rules on performance evaluation. Specifically, if a performance review has not been done within the last 12 months, it will need to be done now in order for the employee to be eligible for a DCF increase.

• Our recommended minimum salary increase is 3% if based on performance; the campus minimum is 3% for increases based on market; equity considerations will be reviewed on a case-by-case basis.

• Requests for performance increases do not need to be more than a couple of paragraphs and should document the employee’s solid or extraordinary performance, with specific examples. You may wish to select highlights from the written performance review for this purpose. Factors that could be included are the following: duration or frequency of the performance, overall importance of the employee’s contributions to the department, regularity with which the performance or unique contribution was demonstrated.

• Campus rules include a maximum of 10% per fiscal year for performance increases, whether base building or one-time lump sums (or a combination of the two).

• You will need to coordinate your recommendations for joint appointments and those appointments paid on multiple funding sources; each appointment can only have one full-time rate. Costs of increases will be prorated across existing funding sources.

• Questions or concerns should be directed to Cheryl Adams Kadera or Diana Allaby.

Spreadsheets with the names and relevant salary information of eligible 101-funded academic/limited and university staff will soon be distributed via email to chairs, directors and administrators of L&S departments and programs, including detailed instructions regarding the request submission process. Note that staff who will still be serving probationary periods as of 1/1/2018 will be excluded. Spreadsheets should be returned to L&S by November 20, 2017, along with a brief summary of the process and criteria used to distribute increases and a copy of the memo or email sent to staff explaining the departmental process. Questions or concerns regarding unusual circumstances should be discussed with Cheryl Adams Kadera or Diana Allaby.

Departments and programs may also consider performance increases on an ongoing basis for non-101 funded academic/limited and university staff. These will be subject to the same parameters (3% minimum; 10% maximum), with any increases paid on the fund that currently supports the position. There is no specific due date for these requests.
Performance Bonus Fund

Implementation Guidelines

Central campus has provided $566K this year for performance bonuses, enabling one-time payments to faculty and staff (regardless of funding source for base pay) to recognize exceptional performance. These funds will appear on department tally sheets as one-time credits. Some guidelines for awarding these one-time bonuses:

- Performance bonuses are intended for faculty and staff who have done exceptional work or service, often above and beyond their job responsibilities.
- Departments are encouraged to consider qualified individuals who have put extra effort into mentoring students as well as staff involved with campus climate or diversity and inclusion initiatives.
- The College has not indicated the precise portion of the department’s Performance Bonus Fund allocation to be targeted to faculty, academic staff, and university staff. Nevertheless, departments should consider the full range of eligible employees.
- Departments might consider establishing awards to honor faculty or staff excellence. As with the base increases, we will need a brief summary of the process and criteria used to select recipients.
- Bonuses may be a useful compensation tool for staff at the maximum of their pay range (who are ineligible for base-building raises).
- Faculty, university, academic and limited staff are eligible for performance bonuses with the following exceptions: university staff temporary employees (TEs), rehired annuitants, employees who will still be serving a probationary or evaluation period as of 1/1/2018 and employees that have not completed the online training to prevent sexual harassment and sexual violence.
- Departments will need to adequately document the rationale for bonuses. Staff must have had recent performance reviews establishing exceptional performance. Supervisory staff must be current with their employee evaluations to qualify for bonuses. Specifically, if a performance review has not been done within the last 12 months, it will need to be done now in order for the employee to be eligible for a performance bonus.
- Requests for performance bonuses do not need to be more than a couple of paragraphs and should include an explanation of the employee’s solid or extraordinary performance or contribution to a one-time project, with specific examples. For staff, you may wish to select highlights from the written performance review for this purpose. Factors that could be included are the following: duration or frequency of the performance, overall importance of the employee’s contributions to the department, regularity with which the performance or unique contribution was demonstrated.
- Departments are allowed to spend 101 funds (making tally sheet charges) for one-time performance bonuses to faculty and staff paid on non-101 funds.
- Our recommended minimum for performance bonuses is 3%, with a 10% campus maximum. However, the 10% maximum applies to the sum of the one-time bonus and any base-building performance raise (including those awarded in January 2018 through the faculty block grant or DCF allocation).
- Departments are not allowed to spend more than 100% of their share of Performance Bonus Funds using 101 funds (i.e., through tally sheet charges). However, departments may supplement 101 funds with non-101 funds (including summer 131 funds) with the permission of the divisional associate dean, and consistent with campus policies for use of the funds.
- We anticipate that departments will award most of this year’s bonuses in conjunction with the two base-building exercises to be implemented mid-year. However, departments may be allowed to award some bonuses later this year with permission of the divisional associate dean.