

Regent Pay Plan Distribution Policy

BUSINESS, FINANCE, AND AUDIT COMMITTEE

Resolution I.2.e.

WHEREAS it is the Board's policy to promote the attraction, development, and retention of a diverse and highly qualified workforce that will effectively and efficiently pursue the missions of the UW System and each UW institution; and

WHEREAS pursuant to Wis. Stat. § 36.09(1), the Board of Regents is vested with the primary responsibility for the governance of the University of Wisconsin System,

NOW, THEREFORE, BE IT RESOLVED:

That, upon the recommendation of the President of the University of Wisconsin System the Board of Regents approves the attached Regent Pay Plan Distribution Policy for pay plan distribution guidelines for all UW System institutions for the duration of the 2013-15 biennium or until such time as the UW System has authority to implement the two new personnel systems that have been developed.

**UNIVERSITY OF WISCONSIN SYSTEM
REGENT PAY PLAN DISTRIBUTION POLICY
EXECUTIVE SUMMARY**

BACKGROUND

The Board of Regents each biennium provides the Chancellors with pay plan distribution guidelines at the same time that the Board approves the pay plan request for all unclassified staff. Typically, this takes place in December of even-numbered years. The Board did review at its April 2013 meeting a pay plan distribution policy in anticipation of the UW System's having new authority for personnel systems. Because the recently enacted state budget removed this authority, it is necessary to approve new pay plan distribution policy guidance that will be applicable to all UW System institutions for the duration of the 2013-15 biennium or until such time as the UW System has authority to implement the two new personnel systems that have been developed.

REQUESTED ACTION

Approval of Resolution I.2.e.

DISCUSSION

The attached Regent Pay Plan Distribution Policy provides Chancellors with policy guidance on the distribution of Board of Regents approved biennial pay plans and for institutionally-funded supplemental pay plans. This operational policy has been review by the Chancellors and approved by the President of the UW System for all UW System institutions.

This policy on pay plan distribution is based on merit-based recruitment and assessment policies, practices, and performance goals that promote the development of a productive, accountable, and trusted workforce and compensation structures and tools that reflect the following factors: market, performance, internal equity, and cost of living. In addition, this policy guidance directs Chancellors to develop, oversee, and coordinate pay plan administration using the processes and practices of shared institutional governance that are operative at each respective institution. In addition, Chancellors shall ensure equity and balance within, between, and among all governance groups.

RELATED DOCUMENTS

Regent Policy Document 20-2, 1994 Gender and Race Equity Study, and UPG 4

The University of Wisconsin System



Regent Pay Plan Distribution Policy – Revised 7/9/13

Original Issuance Date: July 12, 2013

Last Revision Date:

1. POLICY PURPOSE:

To provide Chancellors with policy guidance on the distribution of Board of Regents approved biennial pay plans and on institutionally-funded supplemental pay plans.

2. POLICY BACKGROUND:

The Board of Regents each biennium provides the Chancellors with pay plan distribution guidelines at the same time that the Board approves the pay plan request for all unclassified staff. Typically, this takes place in December of even-numbered years. The Board did review at its April 2013 meeting a pay plan distribution policy in anticipation of having new authority for personnel systems. Because the recently enacted state budget removed this authority, it is necessary to approve new pay plan distribution policy guidance that will be applicable to all UW System institutions for the duration of the 2013-15 biennium or until such time as the UW System has authority to implement the two new personnel systems.

3. POLICY DEFINITIONS:

“Faculty” means persons who hold the rank of professor, associate professor, assistant professor, or instructor in an academic department or its functional equivalent in an institution, persons described under Wis. Stat. § 36.13(4)(c) and such academic staff as may be designated by the chancellor and faculty of the institution.

“Academic Staff” means professional and administrative personnel with duties, and subject to types of appointments, that are primarily associated with higher education institutions or their administration but does not include faculty and staff provided under [Wis. Stat. § 16.57](#).

“Limited Appointment” means an appointment to a designated administrative position, the holder of which serves at the pleasure of the authorized official who made the appointment. Certain positions must be designated as limited appointments under [Wis. Stat. § 36.17\(2\)](#), while others may be designated by the appointing authority as limited appointments at the time of the appointment.

“Regent pay plan” means the amount of state funds and/or generated funds available for salary increases for all employees in the continuing staff base budget with at least solid performance.

“Supplemental pay plan” means the amount of generated or reallocated institutional base funds approved and available for salary increases for any or all employees in the continuing staff base budget with at least solid performance.

“Base salary adjustments or lump sum payments” means reallocated institutional base budget funds used to address strategic salary adjustments specific to institutional needs and priorities.

4. POLICY:

- (1) Chancellors shall develop, oversee and coordinate pay plan administration using the processes and practices of shared institutional governance that are operative at each respective institution. Prior to the approval of the Regent Pay Plan each Chancellor shall initiate faculty, academic staff, and limited appointee performance evaluations using a suitable evaluation system to assess meritorious performance and solid performance, the results of which can be converted to a salary, once the pay plan is known. The evaluation judgments shall be made before July 1, as provided in s. 36.09 (1)(j), Wis. Stats.
- (2) Chancellors shall ensure equity and balance within, between, and among all governance groups. While recognizing obvious differences between roles, responsibilities, compensation, and market-based forces, compensation adjustments for all employee categories are to be viewed, held, and considered as separate parts of the pay plan distribution for each institution.
- (3) Chancellors are authorized to earmark up to 15 percent of the total pay plan each year for the Chancellors’ discretionary use to meet special compensation needs, such as rewarding members of the University workforce for innovative and/or collaborative program delivery; rewarding exceptional performance in support of institution goals; and/or correcting gender pay inequities or other structural anomalies or inequities warranting adjustment.
- (4) Assessment of meritorious performance and solid performance for faculty shall be based on a systematic performance evaluation program which identifies positive contributions by the faculty member to teaching, research, public service and/or the support functions inherent in the institution’s mission. Assessment of teaching faculty shall include consideration of student evaluations (Regent Policy Document 20-2, formerly 74-13, October 4, 1974). Assessment of meritorious performance and solid performance for all other university employees shall be based on a systematic performance evaluation program which allows supervisory assessment of solid and meritorious performance in their areas of assigned responsibility.
- (5) Market determinations are not to be considered in the distribution of Regent Pay Plan funds, except that Chancellors may use market considerations when distributing earmarked funds provided for in number (3) above.
- (6) Any and all compensation adjustments must include a merit/performance component; across-the-board compensation adjustments that do not include a merit/performance component are prohibited. At a minimum, continuing staff who have performed at a satisfactory level shall be entitled to a compensation adjustment from funds set aside to recognize solid performance, except when an employment contract, collective bargaining agreement or administrative practice holds to the contrary.
- (7) Unless otherwise specified by executive/legislative/Regent action, the effective dates for the payment of the pay plan rates will be July 1 each year for annual-basis employees, the start of the academic year for those on academic year appointments, and other dates as set by the

Chancellors for persons with appointment periods commencing at times other than July 1 and the beginning of the academic year.

- (8) The President is authorized each year to increase the systemwide faculty salary minima by up to the full amount of the Regent Pay Plan rounded to the nearest hundred dollars. For Category B research and instructional academic staff, the Board authorizes the continuation of the current policy linking titles to the faculty salary minima based on percentage relationships approved in the 1994 Gender and Race Equity Study. UW System salary ranges and salary minima will be established in accordance with the approved Regent Pay Plan.
- (9) Base salaries shall not be less than the salary minima or pay range minimum. A salary increase shall not move the base salary above the UW System salary range maximum, if applicable. University employees who are currently paid above an applicable range maximum shall be eligible for a salary increase of up to half of the amount by which the salary ranges have been adjusted.
- (10) Approval of salary adjustment rates for promotion in faculty rank is delegated to Chancellors.
- (11) The Board intends to make a separate request of JCOER for a supplemental pay plan during the 2013-15 biennium to enable Chancellors to use generated or reallocated institutional resources to provide for a supplemental pay plan for individual salary adjustments (base or one-time) for employees in any or all of the following employee categories: faculty, academic staff, and limited employees.
- (12) In using discretionary funds provided for in number (3) above and/or supplemental pay plan provided for in number (11) above, Chancellors may consider factors of equitable compensation for faculty and staff with comparable training, experience, and responsibilities at peer institutions and among comparable UW System institutions, programs, and departments.
- (13) For represented graduate assistants, pay plan adjustments will be determined through union collective bargaining negotiations.
- (14) Each institution shall complete its actions on pay schedules for non-represented graduate assistants prior to July 1 and shall establish a factor for adjustments, which can be applied expeditiously to determine compensation increases. Pay schedules for each graduate assistant category shall be separately established.
- (15) The Regent Pay Plan funding allocation shall be distributed as soon as possible after final approval of the pay plan by the Board of Regents and after the Governor signs the biennial budget.
- (16) Compensation actions related to the Regent Pay Plan and delegated to the Chancellors shall be completed in accordance with statutory requirements, legislative intent, and Regent policy, and shall be reported to UW System Administration to make possible the preparation of payrolls and reporting to the Board of Regents.

5. RELATED DOCUMENTS:

Regent Policy Document 20-2, 1994 Gender and Race Equity Study, and UPG 4