



DATE: February 10, 2021

TO: Deans, Directors, and Department Chairs

FROM: Beth Meyerand, Vice Provost for Faculty and Staff Affairs
Mark W Walters, Chief Human Resources Officer

RE: Compensation Adjustments for Faculty Promotions

We are pleased to announce that we are continuing to provide standard base adjustments to faculty members promoted in rank. This is an important part of our compensation portfolio to meet market demands.

Promotional base increases can be between the standard base adjustment amount and an amount equal to ten percent of the faculty member's current base salary. Central funds will be made available for promotional base increases for faculty on 101 funds. In those cases, regardless of whether the fixed-dollar or percentage rate is used, one-half of the standard base adjustment increase will be covered by schools and colleges, while half will be provided centrally (prorated by portion of FTE being paid on 101 funding). In cases where the unit wishes to provide an amount equal to ten percent of the faculty member's current base salary, any amount exceeding the standard base adjustment must be provided by funds controlled by the schools and colleges. In cases where the unit wishes to award an increase above ten percent of the faculty member's current salary, the balance must be provided entirely by funds controlled by the schools and colleges using another eligible reason under the campus pay adjustment policy.

Departments, schools and colleges should be mindful that promotion is a key moment to examine faculty compensation for salary compression and significant lags behind averages at peer institutions. Promotion adjustments can be augmented with other adjustment funds, and we encourage you to consider all of the available compensation resources together.

In the attached, you will find the methodology as well as the promotional increment amounts.

If you have any questions, please feel free to reach out to Beth Meyerand at meyerand@wisc.edu or Mark Walters at mark.walters@wisc.edu.

C: Rebecca Blank, Chancellor
John Karl Scholz, Provost and Vice Chancellor for Academic Affairs
Laurent Heller, Vice Chancellor for Finance and Administration
Jennifer Klippel, Budget Director

Faculty Promotion Compensation Adjustments for 2021-22 Academic Year

The Office of the Provost, the Office of the Vice Provost for Faculty and Staff Affairs, the Office of Human Resources and the Madison Budget Office have revised the faculty promotional base increases for the 2021-22 academic year. The amounts have been increased using the following indexing protocol:

1. Use the urban CPI index (CPI - U, Consumer Price Index for All Urban Consumers, U.S. Bureau of Labor Statistics), for the core inflation rate during the 12-month period through the end of September to establish the proposed rates for the subsequent fiscal year. The core inflation rate is known technically as “all items less food and energy.”
2. As discussed with UC and Leadership Council in 2011, we rely on the smoother core inflation rate, rather than the volatile all-items rate that fails to flatten the unevenness of short-term food and energy prices. This is a sound methodology and also sustainable from fiscal and equity points of view.
3. Each year, the Provost Office presents the University Committee the proposed indexed figures, reviews fiscal or other relevant implications, and seeks approval of the new amounts. The UC was informed of the rates below on 11 January 2021.

Promotion increases can range between the fixed dollar amounts below and a dollar amount equal to no more than ten percent of the faculty member’s base pay.

Campus will provide central funds for promotional base increases for faculty on 101 funds. The central campus funds will be equivalent to one half of the defined minimum increase amount (prorated by portion of FTE being paid on 101 funding).

Schedule of Faculty Promotional Base Increases

	Faculty Appointed on C-Basis (9-month basis)		Faculty Appointed on A-Basis (12-month basis)	
	Promotions that took effect in AY 2020-21	Promotions to take effect in AY 2021-22	Promotions that took effect in AY 2020-21	Promotions to take effect in AY 2021-22
From assistant to associate professor	7,900	8,034: Rounded to <u>8,035</u>	9,250	9,407: Rounded to <u>9,410</u>
From associate to full professor	10,150	10,323: Rounded to <u>10,325</u>	12,000	12,204: Rounded to <u>12,205</u>