

## Attachment I

### IMPLEMENTATION OF POLICY GUIDELINES FOR FISCAL YEAR 2017 (FY17) SALARY INCREASES EFFECTIVE SEPTEMBER 1, 2016

*This document provides policy guidelines and instructions for FY17 salary increases for all fund sources*

#### GENERAL NOTES: Process and Policy Guidelines

Based on guidelines outlined in the May 10, 2016 letter<sup>1</sup> from Provost Baldasty, the UW is authorizing a 4 percent merit salary increase pool for faculty, librarians and professional staff effective September 1, 2016. Increases for classified staff and academic student employees (ASE) were effective July 1, 2016.

The following additional policy decisions and procedures are important to keep in mind:

1. All **meritorious** faculty who are employed by the UW on or after September 1, 2016 will receive a minimum 2 percent regular merit salary adjustment, with 2 percent additional merit available. Faculty members who received a prior salary adjustment that precluded an additional salary increase or are ineligible as stated in a hire letter will not receive a merit increase. Recommendations not to award a merit salary adjustment must be supported by a justification with back-up documentation maintained at the unit level and provided if requested.
2. All meritorious librarians and professional staff in eligible job codes who are employed by the UW on or after September 1, 2016 will have a 4 percent salary pool available for merit salary adjustments, unless they received a prior salary adjustment that precluded an additional salary increase or are ineligible as stated in a hire letter. Merit salary adjustments of 0 percent for any individual will require that back-up documentation be maintained at the unit level to be provided if requested.
3. In early August, all units and campuses will receive a report from OPB outlining the value of the authorized 4 percent increase of General and Designated Operating Funds (GOF/DOF) permanently budgeted positions for faculty, librarian and professional staff. The report will also identify for UW Seattle Administrative units the value of the increases that will be funded through state funds and Provost Reinvestment Funds. Any shortfall in funding is the responsibility of the unit.
4. Units will use the salary module to post salary merit increases to budgeted positions (without exceeding the authorized allocation) and to OPUS/HEPPS lines.
5. Classified and ASE increases are handled outside of the salary module.
6. UW Bothell, UW Tacoma and Seattle academic units are responsible for funding salary merit increases for all categories of employees, regardless of fund source. Once the process is complete, the value of the GOF/DOF salary increases will be 'billed' to each academic unit, with a credit given for the proportionate share of the state-funded compensation appropriations allocated to the UW. As in previous salary increase cycles, DOF-ICR (75-xxxx budgets) will be charged with the offset to the salary merit increases posted directly to them. This offset will post to account code 1700.

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<sup>1</sup> This letter is available online at the following address:

[http://opb.washington.edu/sites/default/files/opb/Budget/FY17\\_Merit\\_Letter\\_Final\\_May%202016.pdf](http://opb.washington.edu/sites/default/files/opb/Budget/FY17_Merit_Letter_Final_May%202016.pdf)

7. The Provost has finite permanent resources to allocate. As such, the Provost must balance the need to centrally fund compensation against the need to invest in areas of critical compliance, student services, and other required costs, while also backfilling the reduction of tuition operating fees for academic units. The Provost has already begun planning for future merit increases with the finite resources that will be available.

As indicated in the May 10, 2016 letter from Provost Baldasty, Seattle administrative units will receive Provost Reinvestment Funds to fund 90 percent of the authorized merit pool. These allocations will therefore not fully cover compensation costs generated by the 4 percent adjustment. Units are expected to allocate an average 4 percent merit increase to eligible employees. If the average of 4 percent exceeds the 90 percent that has been allocated from PRF funds it is expected that the unit will use operational funds to cover the difference or vacant salary lines.

It is the intent of the Provost to not provide merit increase funds to administrative units for vacant budgeted positions or to “fund/top-up” budgeted positions that are underfunded due to a recent-in-grade adjustments, promotions, new hires, or used for future salary adjustments.

OPB will review each unit’s merit pool entries in detail to ensure compliance. If budgeted lines have been increased without a corresponding actual salary line, the value that has been entered on the budget line in the salary module by the unit may be reduced or zeroed out by OPB.

Seattle administrative units are encouraged to consider whether employees who have received recent in-grade adjustments or promotions or who have been hired since February 29, 2016 should be eligible for an increase.

Once the process is complete, the value of the GOF/DOF salary merit increases will be ‘billed’ to each administrative unit with a credit given for 90 percent of the incremental change in permanent GOF/DOF budgeted positions generated from the 4 percent salary increase pool for faculty, librarians and professional staff.

If this policy presents a significant challenge to your unit, please email Amy Floit [afloit@uw.edu](mailto:afloit@uw.edu).

8. Classified staff and Academic Student Employees (ASE’s) are handled separately from the salary module Administrative units will be provided central funds to cover the permanent GOF/DOF budgeted incremental change for all classified staff and ASE positions.

## SALARY MERIT INCREASE OVERVIEW

### Faculty

All *meritorious* faculty members including part-time lecturers and clinical faculty will receive a minimum 2 percent regular merit salary adjustment, unless they received a prior salary adjustment which precludes further adjustment. Faculty members who are determined *not to be meritorious* must be identified. These individuals will not receive a salary adjustment.

In addition to the 2 percent regular merit pool, there will be a 2 percent additional merit pool. Distribution of the 2 percent additional merit pool should factor in compression, equity, and merit issues. Elected faculty councils, department chairs, and executive leadership should be consulted with regard to the distribution of this additional merit pool (please consult Faculty Code Section 24-55 A for guidance). ***Please remember that pursuant to the Faculty Code Section 24-71 B.1, the additional merit pool must be distributed by departmentalized schools, colleges and campuses as equal-percentage increases to each academic unit.***

All faculty in research, without tenure (WOT), and other non-state/tuition-funded positions (including the B portion of an A/B salary plan) are to receive the minimum 2 percent salary adjustment if they are meritorious or have not had a prior salary adjustment that precludes further adjustment. These faculty may receive additional merit so long as the overall average merit increase of 4 percent is maintained within each academic unit. Funding for these increases should come from the applicable grant or contract, or from an alternative source of funds relevant to the appointment.

Academic Personnel will review all salary proposals and will request additional documentation if necessary. Faculty salary adjustments will be implemented using the salary module. Merit salary adjustments will be effective September 1, 2016

**The average merit salary adjustment for all faculty members within your unit must be 4 percent.**

**Faculty Promotions**

Faculty will receive a 9 percent increase effective on the date of their promotion, either July 1 or September 16. Promotions will be handled separately from the merit increase process and must be entered into OPUS as indicated below. Academic units are responsible for the funding of these promotions.

**12-month Faculty Promotions**

Promotions effective July 1<sup>st</sup> were calculated **before** salary merit increases are awarded. The title changes and 9 percent increases should have already been entered in OPUS.

**July 1st promotion increases for all permanent budgeted positions**

For these positions, units may enter budget revision requests (BRR) in BGT before the salary module is created, for these positions. Please notify Judy Gustafson Golisch in the Budget Office of any promotional budget revisions that have been entered, so that they can be finalized with the F3 function. The Budget Office will send revised merit salary increase allocations to appropriate units with the effect of the July 1st promotion adjustments.

**9-month Faculty Promotions**

Promotions effective September 16<sup>th</sup> will be calculated **after** salary merit increases have been awarded. **The title changes and 9 percent increases must be entered in OPUS no earlier than September 21, 2016 and no later than September 28, 2016 to have the correct salary displayed in ETR.**

**Faculty Minimum Salary Floors**

Effective September 1, 2016, the minimum salary floors for faculty and other academic personnel will be adjusted as follows:

	9-month rate	12-month rate
Research Associates, Teaching Associates, Acting Instructors, Senior Fellows, and other Academic Staff	\$3,396	\$3,145
Lecturers, Artists in Residence, and Librarians	\$3,672	\$3,401
Assistant Professor (including WOT, Research, Clinical, Acting, and Visiting)	\$5,124	\$4,699
Associate Professor (including WOT, Research, Clinical, Acting, and Visiting)	\$5,577	\$5,112
Professor (including WOT, Research, Clinical, Acting, and Visiting)	\$6,621	\$6,070

In May, the U.S. Department of Labor released a final rule updating the Fair Labor Standards Act (FLSA). The update extends overtime pay protection by raising the minimum overtime-

exempt annual salary from \$455 per week (\$23,660 per year) to \$913 per week (\$47,476 per year), effective December 1, 2016. This minimum salary requirement applies to both full-time and part-time employees, regardless of how many hours they work. We are currently working on determining if any of the above salary minimums will be impacted.

Note: The preceding table does not apply to Educational Outreach International & English Language Programs Extension Lecturers, whose minimum salary floors are articulated in their labor contract.

**Faculty Unit Adjustments**

2016-17 unit adjustments are separate from the merit salary adjustment process, and when approved, will be effective October 1, 2016. Questions regarding this process should be submitted to the Provost's Office.

**Librarians**

There will be a 4 percent salary merit pool for distribution to librarians. The distribution of this pool is to be consistent with the provisions of the Librarian Personnel Code. These salary adjustments will be implemented using the salary module, effective September 1, 2016.

All meritorious librarians who meet performance expectations will receive a merit salary adjustment, unless they received a prior salary adjustment, which precludes further adjustment. Librarians who are determined *not to be meritorious* must be identified. These individuals will not receive a salary adjustment.

**Librarian Promotions**

Librarians that received a promotion on July 1, 2016 must receive a merit increase on September 1, 2016.

Promotions for librarians were awarded at 9 percent, effective July 1 based on their June 30, 2016 salary rate. Promotions are handled separately from the merit increase process and should already have been entered into OPUS.

July 1 librarian promotion increases for GOF/DOF budgeted positions will be processed in BGT by the Budget Office before the salary module is created. These promotions will be part of the merit salary increase allocations.

**Faculty and Librarian Retention Salary Adjustments**

Retention salary adjustments that will be effective September 1, 2016 are to be submitted separate from the merit salary adjustment process. While the minimum retention salary adjustment is generally 5 percent, any retention salary adjustments that are intended to preclude eligibility for the September 1, 2016 merit salary adjustment must be effective no later than September 1, 2016 and provide at least a 9 percent salary increase. Otherwise, the criteria and process for approval of retention salary adjustments remain unchanged.

**Professional Staff**

There will be a 4 percent salary merit pool for distribution to professional staff. These salary adjustments will be implemented using the salary module, effective September 1, 2016.

Performance expectations, ongoing feedback and performance evaluations should lay the foundation for merit adjustment decisions.

The Professional Staff Program requires that merit recommendations for professional staff be supported by a **current performance evaluation completed within the previous twelve months**. Documentation supporting salary adjustments should be retained at the unit level and must include **sufficient detail to confirm that a performance evaluation has occurred** within the previous twelve months as required by the Professional Staff Program. Individual

performance evaluations should be conducted no later than August 26, 2016 to be eligible for a merit increase.

Professional staff who were hired or promoted or who received a retention/in-grade increase after February 29, 2016 are generally not eligible for the September 1 merit increase. Each unit can determine internally to expand this timeframe for their employees to a date no earlier than January 1, 2016; this expanded timeframe must be used for all departments within a unit. If an earlier date than February 29, 2016 is used, employees should have been notified at the time they received the retention or promotion that they were not eligible for the up-coming increase.

It is strongly recommended that increases significantly higher than the merit pool average be addressed as requests for in-grade salary adjustments. Unit heads are encouraged to use the in-grade adjustment process for salary increases over 10 percent. **Any portion of a proposed merit increase that exceeds 10 percent will not be considered as part of the FY2017 merit process and will be rejected.**

**Professional Staff In-Grade Salary Adjustments**

If you will be requesting in-grade adjustments to address equity and/or retention issues, use the in-grade section of the professional staff Compensation Change Request Form and consider implementing in-grade adjustments following the merit process, effective September 16, 2016 or later. Further information on in-grade adjustments and the Compensation Change Request Form can be found at:  
<http://www.washington.edu/admin/hr/ocpsp/prostaff/positionrvw.html>

Any requests for in-grade adjustments on or after September 1, 2016 should use the post-merit salary as the current monthly salary on the compensation change request form. In order to ensure that the correct salary data is used for calculating and approving in-grades with an effective date of September 1 or later, in-grade approvals will be held until after the updated budget module data is available in OPUS. **Please keep in mind that no OPUS appointment number changes or full-time rate changes may be made between August 22 and September 13, 2016.**

If you anticipate submitting 20 or more in-grade adjustments, a tool is available for batch submissions. Contact your Senior Compensation Consultant for details.

**Professional Staff Market Minimums**

There are no professional staff market minimum adjustments this year, so the market minimums established on October 1, 2015 still apply.

**Professional Staff Temporary Appointments**

Professional staff in temporary appointments (i.e., in job code 1650, 1655 or 9650) are ineligible for merit increases and are not included in the salary increase module. If a department wants to make a salary adjustment for an employee in one of these job class codes, they need to use the PSTA Extension/Increase form. A salary adjustment request may be made prior to an appointment ending.  
<http://www.washington.edu/admin/hr/forms/employment/prostaff/tempappt/psta-extension.docx>

**Contract Classified Staff**

Contract classified staff with ratified collective bargaining agreements for 2015-17 received a 2 percent salary increase effective July 1, 2016 as negotiated with their individual labor unions.

**Non-Union Classified Staff**

Classified non-union employees received a 1.8 percent salary increase effective July 1, 2016, as directed by the Legislature.

**Academic Student Employees (ASE's)**

Academic Student Employees (ASEs), covered by the collective bargaining agreement between the University and the United Auto Workers (UAW) Local 4121, received a July 1, 2016 salary increase consistent with the provisions of their labor contract.

ASEs in units using the graduate student non-variable rate salary schedule received an annual percentage wage increase toward matching the Global Challenge States median. Based upon salary analysis performed by an outside compensation consulting firm, the graduate student non-variable scale increased by 8.16 percent this year.

ASEs in units using the graduate student variable rate salary schedules and that already pay above the Global Challenge States median received a minimum of 2 percent wage increase or the percentage needed to match the new base rate for the category, whichever was greater. Units were allowed to increase their graduate student variable salary rates above this minimum if they chose.

**All ASEs on an hourly wage scale must receive a 2 percent wage increase over and above their current rate.** The new hourly minimum rate is \$13.26 per hour as of July 1, 2016. This provision does not apply to the hourly GRSA job code, which received increases as noted above regarding graduate student non-variable and variable salary rates.

**Other Employee Groups**

Educational Outreach International & English Language Programs Extension Lecturers will receive salary adjustments consistent with the provisions of their labor contract, which ties the allocation and effective date for performance-based base salary increases to those of professional staff.

**OTHER CONSIDERATIONS**

**Policy Compliance**

As noted, units will be required to **stay within their individual allocations when making merit recommendations** for permanent budgeted positions funded from GOF/DOF. Allocations are not interchangeable between funds or between faculty, librarian and professional staff categories. **OPB's budget office will monitor compliance with this policy.**

Faculty and librarian increases funded from all sources will be **monitored for policy compliance by Academic Personnel.**

Professional staff increases funded from all sources will be **monitored for policy compliance by the HR Compensation Office.**

**Recommendations not to award a merit salary adjustment must be supported by a justification with back-up documentation being maintained at the unit level and provided if requested**

**Ensure Payroll Appointments are in the Salary Module**

**The following actions should be completed by 3:00 pm on August 19, 2016.**

Any faculty librarian, or professional staff member whose merit increase is intended to be processed through the salary increase module, and who has a continuing appointment for autumn quarter, must have a payroll distribution in OPUS with REG, PLP, LWO or S/L pay on a current OPUS appointment. If this information is not entered in OPUS, the position will not show up in the salary module and a merit increase correction will need to be entered manually in OPUS between September 14 and September 20, 2016.

These two reports can assist you in verifying payroll distributions  
Employee\_Download\_by\_PUC  
Employee\_Download\_by\_Org\_Code

Both reports may be accessed from  
<https://edw.washington.edu/Reports/Pages/Folder.aspx?ItemPath=%2fHuman+Resources%2fPayroll%2fPayroll+Coordinators&ViewMode=List>

When selecting the criteria for the reports for employments types, choose faculty and professional staff.

**Restricted Entry time in OPUS**

From August 22 to September 13, 2016, there is a Restricted Entry time in OPUS to ensure that salary merit increases will post correctly. During the Restricted Entry time, departments may not add any appointment #'s, and they may not enter any appointment # changes or FT rate changes in OPUS for current employees with faculty, librarian or professional staff appointments.

**Personnel on Leave**

Salary increase recommendations for faculty or professional staff who are on leave should be based on the proposed salary of the permanent incumbent when the person returns from leave. Permanently budgeted positions are included in the salary-adjustment pool salary base.

**Joint Appointments**

Salary increases for faculty or professional staff whose appointments and/or salaries are divided between two or more departments or colleges should be determined by mutual agreement of appropriate department heads and deans. Only one salary increase level is possible, so all units must reach agreement prior to submission of the spreadsheets. A list of employees paid from multiple units will be provided after creation of the salary module. A contact list is attached as Attachment II for your convenience.

**Provisos**

Salary increases on budgeted lines must not be entered into a Proviso budget number. The amounts in those budgets are predetermined and should not be changed. Instead, salary increases need to be posted to a regular state budget. If you need assistance with this, please call Judy Gustafson Golisch at 616-7441.

**President's and Provost's Lists**

Certain individuals' increases will be determined by the President or Provost. These individuals' positions are not included in the units' general allocation. These increases will be posted by OPB's budget office. The names of these individuals are listed on the unit allocation sheets for information only.

**Units' faculty positions being held for faculty serving in administrative roles appointed by the Provost**

If a faculty member has held a budgeted faculty position prior to serving in an administrative role appointed by the Provost, the unit is expected to hold that tenured faculty position for the individual to return to if/when the administrative position ends, unless otherwise stipulated. Each year, salary increases are allocated to the unit for those budgeted faculty positions and should be applied to those positions. Faculty members serving in administrative roles may receive salary increases greater than the average merit increases given each year during the administrative appointment. When a faculty member returns to a budgeted faculty position, the Provost funds the difference between the current salary and the budgeted faculty position. This adjustment is done as follows: add the percent of average merit increase given each year to the budgeted value of the position at the time the individual began an administrative role, and calculate the difference between that amount and the current salary.

## FINAL STEPS OF SALARY INCREASE PROCESS

- Completion of Data Entry** Once the salary merit increases have been completed and entered into the salary module for all funding sources by the unit, contact Judy Gustafson Golisch at 616-7441 or [judygus@uw.edu](mailto:judygus@uw.edu). Once this notification is received, access to the module will be frozen for your unit. If you do not contact Judy before the 5:00 pm deadline on September 2, 2016, access will be frozen at that time.
- Review of Salary Module Data** Please plan to have someone **available during the review process of September 3-11, 2016** to answer any questions from OPB, the Vice Provost's Office for Academic Personnel or the HR Compensation Office.
- Unit Approval** **OPB, Academic Personnel and HR Compensation expect that Deans, Chancellors, Vice Presidents or Vice Provosts will review and approve increases before these increases have been entered into the salary module.** This approval should be maintained at the unit level.
- Report to Units** Units may request a summary report of all final increases from Judy Gustafson Golisch [judygus@uw.edu](mailto:judygus@uw.edu) Budget Office after the salary increase process is completed.