



April 24, 2017

**Board of Deans and Chancellors**

**Vice Presidents**

**Vice Provosts**

**David Anderson, Executive Director, Health Sciences Administration**

**Karin Nyrop, Division Chief, Attorney General's Office**

Dear Colleagues:

I write to provide you with my thoughts regarding salary increases in 2017-18 (FY18). The purpose of this letter is to provide some additional guidance for unit planning purposes as FY18 budget development continues. As I articulated to each of you and to faculty and student leaders, it is my highest priority to continue to improve compensation for our dedicated faculty and staff. In conversations with you, I noted that our goal was to focus limited resources on compensation and that the state and federal funding outlook would influence our approach to merit increases.

At this point, preliminary state operating budgets from both the state Senate and House have been released. As a reminder, the last day of the regular legislative session is April 23, 2017. Unless the House and Senate come to a compromise by that point, the Governor will need to initiate one or more 30-day special sessions to finalize the budget. Our best guess at this point is that we will not have a final budget until mid to late June. As we have in the past when legislative session concluded at the end of the fiscal year, we would authorize final merit increases in late June or early July, 2017, after the 2017 legislature concludes and the Board of Regents adopts a new budget.

The House and Senate proposals *currently* assume very different approaches to compensation funding for higher education; the only shared element is that neither proposal covers compensation up to the level included in the UW's budget request. The Senate budget rejects the 2017-19 collective bargaining agreements negotiated for classified staff and, instead, partially funds \$500 per employee per year for all General Operating Fund (GOF) budgeted employees, including those covered by bargained contracts. The House budget approves and funds a 2 percent increase in FY18 and two 2 percent increases in FY19 effective July 1, 2018 and January 1, 2019. Since these two proposals represent opposite ends of the spectrum, there is still a great deal of uncertainty regarding the final outcome.

Despite this, I want to emphasize that our goal to increase compensation remains firmly in place, though the specific mechanics and percent increases discussed may fluctuate during these next few months.

I will be sending additional salary and funding distribution information and guidelines as it becomes available in June or July, 2017. Final merit process guidelines will be distributed after we have an adopted budget. Please execute your work to determine merit and prepare for a September 1, 2017, increase.

### General Timeframe

Salary increases for 2017-18 for meritorious faculty, librarians, and professional staff will be made effective September 1, 2017. Classified staff salary increases will be effective July 1, 2017. Please ensure that your staff is available to work with Academic Personnel, UW HR Compensation Office, the newly formed Integrated Services Center, and the Office of Planning & Budgeting during the months of August and September.

### General Funding and Increase Estimates

Depending on outcomes from the state budget, I plan to authorize **a pool of 2.0 – 3.0 percent for merit-based increases** for faculty, librarians, and professional staff in FY18.

It is my intent to continue the practice established in FY14, FY15, FY16 and FY17 where **Seattle academic units, UW Bothell, and UW Tacoma** fund salary and benefit increases for their personnel. As we have discussed this year, Seattle academic units would fund the first 2 percent compensation adjustment. If authorized, additional merit on the Seattle campus may be funded with Provost Reinvestment Funds.

For **Seattle administrative units**, a pool of 2.0 to 3.0 percent for merit-based increases would be authorized to cover **permanently budgeted and filled** General Operating and Designated Operating Fund (GOF and DOF) positions as of June 30, 2017. If a 2 percent merit pool is authorized, it is my expectation that a minimum 2 percent average will be distributed to eligible employees based on an assessment of performance, which will lead to a range of adjustments that are within the 2 percent pool. Administrative units should not increase vacant budgeted positions, budgeted positions that are not eligible for merit, or increase positions that are currently underfunded.

Assumptions regarding the merit pool authorization and funding will continue to evolve this spring as more information becomes available. These assumptions will be communicated broadly to deans, chancellors, vice presidents, vice provosts, faculty senate leaders, and student representatives.

### Faculty Merit Salary Adjustments

The first step in the distribution process is ensuring that all continuing faculty members have been evaluated for merit, including, for example, part-time lecturers, clinical faculty-salaried, teaching associates, and research associates. Faculty Code Section 24-55 provides that faculty shall be reviewed by their colleagues to evaluate their merit and to arrive at a recommendation for an appropriate merit salary increase. Such reviews are to consider the faculty member's cumulative record, including contributions to research/scholarship, teaching, and service, and their impact on the department, school/college, university, and appropriate regional, national, and international communities. Please review the merit

review process outlined in Section 24-55 and begin planning for merit reviews now so that they are completed by the end of this academic year.

All faculty members who are determined to be meritorious would receive a regular 2 percent merit salary adjustment, unless they received a prior salary adjustment that precluded further adjustment. Faculty members who are determined not to be meritorious must be identified and will not receive a salary adjustment.

In addition to the 2 percent regular merit pool, it is possible that an additional merit pool between 0.5 and 1.0 percent would be available for distribution. The distribution of this additional merit pool should take into consideration factors of compression, equity, and merit. I request that you consult with your elected faculty councils, department chairs, and executive leadership regarding the distribution of such an additional merit pool and look to Faculty Code Section 24-55 for guidance. Please remember that, pursuant to the Faculty Code Section 24-71 B.1, an additional merit pool must be distributed by departmentalized schools, colleges, and campuses as equal percentage increases to each academic unit.

All faculty in research, WOT, and other non-state/tuition-funded positions (including the B portion of an A/B salary plan) are to receive the regular 2 percent salary adjustment if they are meritorious or have not had a prior salary adjustment that precludes further adjustment. Additional merit should also be awarded with the average increase at the additional merit limit, thereby maintaining an overall average merit increase consistent with the regular and additional merit pool within each academic unit. Funding for these increases should come from the applicable grant, contract, or other alternative source of funds relevant to the appointment.

#### **Librarian Merit Salary Adjustments**

It is my plan that a 2.0 to 3.0 percent merit pool would be available to distribute consistent with the Librarian Personnel Code.

#### **Minimum Salary Floors**

Effective September 16, 2017, the minimum salary floors for faculty and other academic personnel will be adjusted as follows:

	9-month rate	12-month rate
Educators and Non-contract Extension Lecturers	\$3,569	\$3,272
Librarians	N/A	\$4,166
Research Associates, Senior Fellows, and Visiting Scientists	N/A	\$3,957
Lecturers, Artists in Residence, Teaching Associates, and Instructors	\$4,317	\$3,957

Senior Lecturers, Senior Artists in Residence, and Professor of Practice	\$4,705	\$4,313
Principal Lecturers	\$5,222	\$4,787
Assistant Professor (including WOT, Research and Clinical)	\$5,333	\$4,889
Associate Professor (including WOT, Research and Clinical)	\$5,803	\$5,319
Professor (including WOT, Research and Clinical)	\$6,889	\$6,315

### **Faculty and Librarian Retention Salary Adjustments**

Retention salary adjustments that will be effective September 1, 2017 are to be submitted separate from the merit salary adjustment process consistent with the criteria and process for approval of retention salary adjustments.

### **Professional Staff**

Similar to all meritorious faculty and librarians, I plan to authorize a 2.0 to 3.0 percent merit pool for professional staff. Application of the professional staff merit pool should take into consideration factors of merit, market competitiveness, retention, internal equity and compression.

Vice Presidents, Vice Provosts, Deans, Chancellors, Directors, and Chairs would award available funds based on merit. Performance expectations, ongoing feedback, and performance evaluations should have laid the foundation for determinations of merit adjustments. The Professional Staff Program requires that merit recommendations be supported by a current performance evaluation completed within the previous twelve months and performance reviews should be conducted no later than August 26, 2017.

As it was last year, documentation supporting salary adjustments should be retained at the unit level and must include sufficient detail to confirm that a performance evaluation has occurred in the last year.

More information about retention-based “in-grade” adjustments for professional staff will follow this transmittal. As in previous years, it is strongly recommended that increases significantly higher than the merit pool average be addressed as requests for in-grade adjustments and funded by the unit. In fact, any portion of a proposed merit increase that exceeds 5 percent will not be considered as part of the FY18 merit process and will be rejected.

To assist UW units in maintaining the progress achieved through previous market-related adjustments, market minimums will be increased for positions in salary grades 5-10 based on the 2017 Professional Staff Salary Survey results. The effective date of the mandatory

adjusted market minimums will be October 1, 2017.

A copy of the updated professional staff compensation plan will be provided to all budget administrators when it becomes available, which is anticipated to be in August.

Employees whose salary still falls below the new minimum after the September 1, 2017 merit must be adjusted to at least the minimum.

Central funding will be provided for adjustment to minimum of GOF/DOF positions in Seattle administrative units.

### **Classified Staff Employees**

Contract classified staff will receive salary increases as outlined in their respective collective bargaining agreements if these are approved by the state Legislature. Specific information about pay increases is available on the UW's Labor Relations website:

<http://www.washington.edu/admin/hr/laborrel/index.html>.

Classified non-union employees will receive salary adjustments in accordance with the final state appropriations bill on July 1, 2017, as determined by the 2017 State Legislature.

### **Other Employee Groups**

Academic Student Employees will receive salary adjustments consistent with the provisions of their labor contract.

Continuum College 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.

### **Salary Increase Process – Policy and Transactional Information**

Additional information will be sent to this distribution list as it becomes available. I will continue to brief SCPB, the Provost Advisory Committee for Students (PACS) and each of you throughout the process. As we move closer to the end of the legislative session, the Office of Planning & Budgeting will provide more information regarding the salary merit increase process. However, as I have been encouraging each of you since last autumn, 2016, please continue to forecast and plan for September 1 salary increase-related expenses, consult with your elected faculty councils, department chairs, and executive leadership regarding the approach you will take to the outlined faculty salary adjustments, and conduct merit and performance reviews.

As you know, our new HR/P system, Workday, will go live on June 27, 2017. As such, Workday, Academic Personnel, UW Human Resources and Planning & Budgeting teams have been discussing a process to utilize data in Workday for merit adjustments, while maintaining central oversight of merit recommendations through OPB and Academic Personnel. At this stage, the teams anticipate pulling data from Workday and sending customized spreadsheets

to each unit. Data will include elements such as employee name, identification number, position number, job profile number and title, full-time monthly salary, and last salary increase date and will be grouped by supervisory organization. The supervisory org structure will be used to propose merit increases in alignment with the policies stipulated herein, and as a means of securing merit increase approvals.

Additional guidance regarding the use of Workday data, including specific information that will be provided to units, process details and data entry, will follow as we continue working on this process. It our goal to provide as much information to you as soon as possible, recognizing that go-live for Workday is approaching during biennium crossover.

Importantly, unit leadership and unit administrators must use current system data (OPUS, FAS, BIPortal Reports) as a means for planning merit increases and in the case of faculty, costs for any retentions, unit adjustments, and promotions. Thank you, in advance, for your partnership in this work, as I know the next few months will be among the busiest we have experienced in some time.

Sincerely,



Gerald J. Baldasty  
Provost and Executive Vice President  
Professor, Department of Communication

cc: Zoe Barsness, Chair, Faculty Senate  
Cheryl Cameron, Vice Provost, Academic Personnel  
Sarah Norris Hall, Assistant Vice Provost, Office of Planning and Budgeting  
Paul Hopkins, Chair, Senate Committee on Planning and Budgeting  
Mindy Kornberg, Vice President, Human Resources  
Jeff Scott, Executive Vice President, Finance and Administration  
Margaret Shepherd, Chief Strategy Officer, Executive Offices  
Thaisa Way, Vice Chair, Faculty Senate  
Unit Administrators