February 9, 2015

Board of Deans and Chancellors
Vice Presidents
Vice Provosts
Attorney General, UW Division
Executive Director, Health Sciences Administration

Dear Colleagues,

I write to provide you with my thoughts regarding salary increases in 2015-16. The purpose of this letter is to provide some guidance for unit planning purposes as FY 16 budget development gets underway. Please know that it is my highest priority to continue to improve compensation for our dedicated faculty and staff.

As you are all likely aware, a very challenging legislative session and budget cycle is unfolding in Olympia. Though revenue forecasts indicate that Washington State is on a slow path to recovering from the recession, significant budget challenges remain. The Governor’s 2015-17 budget, released in December, provided a clear indication that there is simply not enough revenue to cover caseload forecasts in human services, pay for salary increases for all state employees and meet the Supreme Court’s K-12 funding requirements under the McCleary decision. Because it will be several weeks before we will see legislative budget proposals, we only have the Governor’s budget at our disposal to assess the financial impact of the state budget and tuition policy until the Legislature takes action this spring. We do not yet know what will transpire in terms of both higher education funding generally and resident undergraduate tuition policy specifically.

As such, I want to emphasize that though our goals to increase compensation remain firmly in place, the specific mechanics and percent increases discussed may fluctuate during these next few months.

We will be sending additional salary and funding distribution information and guidelines as soon as possible.

General Timeframe

It is our desire to make any increase in salaries effective July 1 on an annual basis. This year we will plan for this effective date unless we do not have a budget out of Olympia by May 29, 2015. Said another way, salary increases will be made effective July 1, 2015 unless we do not have an enacted biennial budget on May 29, 2015. This effective date entails conducting merit and performance reviews no later than the end of June, planning for salary increase expenses for a full fiscal year, and ensuring that your staff is available to work with Academic Personnel, UW HR Compensation Office, and Planning & Budgeting during the month of June and through mid-July. If we do not have an enacted biennial budget on May 29, 2015, we will send out additional correspondence confirming next steps, but we anticipate defaulting to a September 1, 2015 effective date.

General Funding and Increase Estimates

Unless the state legislature enacts a salary freeze, I plan to authorize a minimum of a 2 percent merit-based salary increase for faculty, librarians, and professional staff in FY16. However, it is my goal to authorize up to 4 percent merit-based salary increases for faculty, librarians, and professional staff unless the state budget is
flat and resident undergraduate tuition rates are frozen. In other words, at a minimum, it is my goal that units will be authorized to enact 2 percent merit increases with the possibility of providing higher increases if conditions allow.

It is my intent to continue previous practice established in FY14 where Seattle academic units fund salary and benefit increases for their personnel. However, if tuition is frozen, central temporary reserves may be deployed to assist units in providing compensation increases until permanent budgets can be reconciled later in the academic year. Bothell and Tacoma will be responsible for funding compensation increases on their campuses.

Central funding would likely be allocated to the university support units based on permanently budgeted positions as of May 31, 2015.

Assumptions regarding timeframe and merit pools will continue to evolve during winter and spring quarters. A flat budget from the state may necessitate a 2% merit pool for faculty, librarians and professional staff. A budget that allows for tuition increases and/or provides new state funds will change the available funds for merit.

**Academic Personnel**

**Faculty Merit Salary Adjustments**

The first step in the distribution process is ensuring that all continuing faculty members have been evaluated for merit, including 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.

All faculty members who are determined to be meritorious would receive a regular 2% 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.

It is my hope that in addition to the 2% regular merit pool, a 1-2% additional merit pool 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 with regard to the distribution of such an additional merit pool and look to Faculty Code Section 24-55 A 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% salary adjustment if they are meritorious or have not had a prior salary adjustment that precludes further adjustment. If available, additional merit should also be awarded with the average increase at the additional merit limit; 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 goal that a minimum of a 2% merit salary pool will be available for University Libraries.

Salary Floors
The minimum salary floors will be reviewed for adjustment in 2015-16. Additional information will be forthcoming.

Faculty and Librarian Promotion Adjustments
Faculty and librarian promotion increases will be 7.5%, on the effective date of the promotion (July 1st or September 16th).

Faculty Unit Adjustments
The submission of unit adjustment proposals will be available in 2015-16, though we have heard from most deans that unit adjustments will likely not be conducted while so much uncertainty exists in Olympia. The Office of Planning & Budgeting is finalizing peer salary comparisons to share with the Senate Committee on Planning and Budgeting and deans and chancellors. When they are ready additional information will be provided with regard to the process and timeline for implementation.

Faculty and Librarian Retention Salary Adjustments
Retention salary adjustments that will be effective July 1, 2015 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
Should conditions allow, a minimum of a 2% salary pool would be available for professional staff employee merit salary adjustments.

Vice Presidents, Vice Provosts, Deans, Chancellors, Directors and Chairs would award available funds based on merit, market and equity considerations. 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. As 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. Please plan to conduct individual performance evaluations no later than June 30, 2015.

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.
Classified Staff
Contract classified staff will receive salary increases consistent with the ratified contracts deemed financially feasible by the Office of Financial Management. These contracts are available on the UW’s Labor Relations website: http://www.washington.edu/admin/hr/laborrel/index.html.

Salary adjustments for classified non-union employees will be determined by the State Legislature as an important element of crafting the overall state budget allocation.

Academic Student Employees
Academic Student Employees (ASEs), covered by the collective bargaining agreement between the University and the United Auto Workers (UAW) Local 4121, are currently negotiating new contracts.

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.

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 legislative session, Planning & Budgeting will provide more information regarding the salary module planning process. However, I would like to encourage each of you to forecast and plan for July 1 salary increase related expenses, consult with your elected faculty councils, department chairs, and executive leadership with regard to the approach you will take with regard to the outlined faculty salary adjustments, conduct merit and performance reviews, and bear in mind that June will likely be a busy month for those responsible for inputting salary adjustments in the module. A model entitled, “Tuition Revenue and Salary Increase Model for Academic Units,” is available to assist in your efforts to project compensation expenses on OPB’s FY16 budget development webpage: http://opb.washington.edu/content/fy16-budget-development.

Sincerely,

Ana Mari Cauce
Provost and Executive Vice President

cc Faculty Senate
Unit administrators