



March 6, 2019

Board of Deans and Chancellors
Vice Presidents
Vice Provosts

Dear Colleagues:

The purpose of this letter is to provide some guidance for unit planning purposes as FY20 budget development continues. While I have yet to begin annual review meetings, I have met with most of you during my walking tours, and have heard that the compensation strategy we employ for faculty and staff is both critically important as a retention tool, but also necessary to consider in light of the University's financial health.

As a reminder, our top priority this legislative session is to secure funding for salary increases for all state-funded staff and academic personnel. While we have not seen budgets from either the House or the Senate, the Governor's proposal includes a significant increase in foundational support to correct for an unfavorable "fund split" that the state applies to new, state-related expenses, such as salary changes, benefits, and central services. The UW's fund split is roughly 34/66 (34% state appropriation, 66% tuition revenue); however, all other state universities have approximately a 50/50 fund split. This fund split is based upon years of assumptions about our ability to raise tuition rates to cover ever-higher annual expenses; and, it is not sustainable. The House and Senate will each offer budget proposals in the coming months, and the outcome of a final operating budget is not expected before late April.

President Cauce and I hope to be able to authorize final merit increases by early June, 2019, after the legislative session has concluded with a passed state budget and the Board of Regents has adopted the UW's FY2020 operating budget. At that time, additional salary and funding distribution information and guidelines will be made available.

Nevertheless, **please execute your work to evaluate performance and prepare for a September 1, 2019, increase.**

General Timeframe

Fiscal year 2019-20 salary increases for meritorious faculty, librarians, and professional staff will be made effective September 1, 2019. Classified staff salary increases will be effective July 1, 2019.

Please ensure that your staff is available to work with Academic Personnel, UW HR Compensation Office, the Integrated Services Center, and the Office of Planning & Budgeting during the months of August and September to implement approved increases.

General Funding and Increase Estimates

While the final merit-based increase percentage is dependent on outcomes from the state budget, it is my plan to authorize, **at minimum, a pool of 2.0 percent for merit-based increases** for faculty, librarians, and professional staff in FY19. In addition, I will continue to work to find a mechanism for a centrally specified faculty unit adjustment process.

All merit eligible employees who are employed by the University on September 1, 2019 must receive a merit increase unless they are determined to be non-meritorious regardless of funding source, or are precluded

from merit on the basis of authorized preclusions (e.g., prior compensation adjustments that precluded further adjustment).

It is my intent to continue the practice established in FY15, where **Seattle academic units, UW Bothell, and UW Tacoma** fund salary and benefit increases for their personnel in combination with tuition funds, and a commensurate share of state funds appropriated for compensation, if such funds are sufficient to distribute. However, if conditions dictate any deviation from this plan, we will communicate these changes to you immediately.

For **Seattle administrative units**, I intend to provide central funding to cover 100 percent of the merit pool based on *permanently* budgeted General Operating and Designated Operating Fund (GOF and DOF) positions as of June 30, 2019. Seattle administrative units with employees paid on other funding sources are responsible for covering the cost of merit.

Central funding for Seattle administrative units will only be approved for budgeted positions where the incumbent received a merit adjustment, and, the budgeted amount for that incumbent's position may not be increased by the more than the amount of the approved merit.

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 read Section 24-55 and begin planning for merit reviews now, so that merit reviews are completed by the end of this academic year.

All faculty members who meet expectations of excellence (including scholarly and professional qualification, responsibilities, and obligations outlined in Chapters 24 and 25 of the Faculty Code and Executive Order 45) and 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. This merit pool is to be distributed based on performance evaluations and is not intended for use as an across-the-board or cost-of-living increase. Faculty members who are determined not to be meritorious must be identified and will not receive a salary adjustment. Funds available in the merit pool from vacant positions or positions of faculty members not determined to be meritorious or precluded from adjustment shall not be distributed as additional merit.

All faculty in research, without tenure (WOT), and other non-GOF-funded (including the B portion of an A/B salary plan) are to receive the regular 2 percent salary adjustment if they meet expectations of excellence, are determined to be meritorious, and have not had a prior salary adjustment that precludes further adjustment. Funding for these increases should come from the applicable grant, contract, or other alternative source of funds relevant to the appointment and the ability to fund an increase from these sources may be a factor in the performance evaluation and the merit determination.

Faculty Unit Adjustments

As noted above, I will continue to work to find a mechanism for a centrally specified faculty unit adjustment process. The focus of such an allocation would be to help advance and maintain the quality and standing of our academic programs as provided for in Executive Order 64. In anticipation of the possibility of a centrally specified unit adjustment pool, deans and chancellors should consult with their faculty councils, campus

deans, department chairs, and executive leadership on a distribution plan that addresses the recognition of highly meritorious faculty and their contributions to the quality and standing of their appointing units, college, school, campus, and/or the university. If a unit adjustment process is implemented, I anticipate setting a required range of 2% to 10% for individually awarded unit adjustments.

Librarian Merit Salary Adjustments

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

Faculty and Librarian Promotion Adjustments

Faculty and librarian promotion increases will be 10 percent, on the effective date of the promotion (July 1st or September 16th).

Faculty and Librarian Retention Salary Adjustments

Retention salary adjustments that will preclude September 1, 2019 merit adjustment must be a minimum of 10 percent.

Professional Staff

Similar to all meritorious faculty and librarians, I plan to authorize a 2.0 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. I expect that all meritorious professional staff, regardless of funding source, unless otherwise precluded will receive an increase greater than 0 percent and not exceeding 5 percent, and the average of which must be 2 percent, as calculated by department.

As in previous years, additional policy stipulations will limit the pool of eligible professional staff. The following professional staff employees will be precluded from merit on September 1, 2019, unless documentation allows otherwise:

- Newly hired university employees, whose start date is after March 31;
- Employees who received a salary adjustment, promotion and/or an “in-grade” adjustment since March 31; and,
- Employees who have received a salary adjustment in connection with a change in position or supervisory organization within the university since March 31.

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 16, 2019.

Following normal practice, documentation supporting merit 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.

Classified Staff Employees

Contract classified staff will receive salary increases as outlined in their respective collective bargaining agreements. 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, as determined by the 2019 state legislature.

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 but, 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 a final note, a team of staff from Academic Personnel, Human Resources, the Integrated Service Center, the Office of Planning and Budgeting, as well as representatives from several campus units went through a review of Workday's Merit Module this past year. The outcome of that review was a determination that the current module would not provide adequate support for the mechanisms we need to conduct this work. As such, the merit process will, once again, largely be conducted outside of Workday. The transactional mechanics of implementing merit will be improved by a review of the process, which is occurring at this point in time. While we aim to address the administrative pain points experienced last cycle, the process will largely mirror last year's process to ease administrative confusion and change fatigue.

Thank you, in advance, for your partnership in this work.

Sincerely,



Mark A. Richards
Provost and Executive Vice President for Academic Affairs
Professor, Earth and Space Sciences

cc: Ana Mari Cauce, President
Cheryl Cameron, Vice Provost, Academic Personnel
Sarah Norris Hall, Vice Provost, Office of Planning & Budgeting
Mindy Kornberg, Vice President, Human Resources
Faculty Senate Leadership
Unit Administrators