



DATE: December 4, 2014

TO: Academic Deans and Department Chairs

FROM: Sarah C. Mangelsdorf, Provost and Vice Chancellor for Academic Affairs *SCM*

RE: Compression-Equity Fund Initiative: Implementation

DEADLINES: List of professors to be reviewed for compression equity to OHR by **January 23, 2015**
Recommendations by deans to OHR by **May 1, 2015**
(Suggested date for departmental recommendations to deans: **March 30, 2015**)

This memo provides guidelines for deans and chairs for the Compression-Equity Fund Initiative. The initiative provides funds – if warranted by an analysis of equity arising from salary compression, in tandem with post-tenure review of performance – for salary adjustments ten or more years after promotion to full professor. Costs of the 101-fund share of salary adjustments are borne equally by central campus and by schools and colleges up to adjustments of ten percent; increases beyond ten percent are borne by schools and colleges. Note that no central matching funds are available for the non-101 portion of salary.

This program is being renewed after reviewing the results of the initial five-year compression-equity initiative. While the initiative, over its first five years, has helped us make progress in addressing salary compression at the full professor level, it is also clear that compression continues to be an issue. Our goal is to continue the program for an additional five-year cycle and evaluate the results at the end of that period.

Please also note that there are some changes to the implementation of the initiative, based on discussion with deans and directors, in how to identify faculty who are eligible. To provide more flexibility, all faculty who are ten years or more past promotion to full professor and who undergo post-tenure review in the current year are eligible for compression-equity review.

1. Eligibility for consideration

- All faculty who are ten years or more past promotion to full professor are eligible for compression-equity adjustments. In each of the next five years, schools and colleges are expected to address compression for about one-fifth of eligible full professors; schools and colleges have discretion in deciding which fifth of their faculty to address in any given year. All faculty considered for compression-equity review must undergo post-tenure review within the current year.
 - A spread sheet from the Office of Human Resources (OHR) is attached to this memo showing all faculty ten or more years past promotion to full professor.
- Professors who have already received a market-based adjustment (and/or CCF, high-demand etc.) or an equity adjustment on or after July 1, 2010, but still show significant compression are eligible for consideration.

- Faculty appointed to UW-Madison at the rank of full professor in years prior to 2005 are eligible for consideration in 2014-15.

2. Steps for addressing compression equity

There are several steps for schools/colleges/departments to follow in making a case for compression-equity for their faculty.

- Step one: using the attached spread sheet, schools and colleges, in consultation with their departments, will identify which one-fifth of their eligible faculty they intend to address for compression-equity in 2014-15.
 - Schools/colleges will return the spread sheets to OHR, indicating which one-fifth of faculty will be addressed in 2014-15, by **Friday, January 23, 2015**.
- Step two: post-tenure review
 - Professors identified by schools, colleges, and/or departments for compression-equity in 2014-15 must undergo post-tenure review – evaluating the domains of scholarship, teaching, and service/outreach during the 2014-15 academic year –prior to moving on to step three. Faculty must meet or exceed expectations of performance as determined by the post-tenure review to be eligible for a compression-equity adjustment. (Faculty identified for review in 2014-15 who have undergone a post-tenure review more recently than five years ago may be considered, as long as they undergo a post-tenure review in the current year.)
- Step three: standard equity
 - Professors identified by schools, colleges, and/or departments for compression-equity in 2014-15 must be considered first for standard equity. Standard equity involves a comparison of peer cohorts, including analysis of whether salary differences are justified. (The policy and process for equity reviews can be found here: <http://provost.wisc.edu/salaryequitypolicy.htm>.) Note that standard equity reviews focus on analysis of salaries, performance, and market among faculty at comparable stages of the career cycle; they do not focus on compression as such, and do not qualify for central campus cost-sharing.
- Step four: compression equity
 - After receiving the list of faculty under review from the deans in January, OHR will prepare spread sheets indicating which of those identified show a prima-facie case for compression-equity concerns. These spreadsheets will be available to the schools and colleges by **February 16, 2015**. That prima-facie case is based on a calculation that can be found on the accompanying attachment (“Formula for UW-Madison Compression-Equity Pay Exercise”). (An alternative methodology may be used, but there must be an explanation for why the alternate methodology more accurately reflects compression issues in the unit.)
 - Note that a prima-facie case for compression equity does not entitle the faculty member to a specific salary figure or compression-equity adjustment. Once a prima-facie case is confirmed, analyze whether performance or market considerations corroborate or modify the prima-facie concern (for example, an individual with a reputation so powerful that a professor of lesser rank has become a “market of one”).
 - In making your conclusions about whether an adjustment is warranted and in what amount, consider the possible impact of the recommended salary rate on gender equity and other equity concerns within the unit.

- Step five: make a recommendation for a compression-equity adjustment on the spread sheets from OHR, and return the spread sheets to OHR by **May 1, 2015**.

3. Funding

- Central campus and schools/colleges share equally the cost of the salary rate increase up to 10 percent (i.e., up to 5 percent from central campus). Costs beyond 10 percent are fully borne by the school/college/department. If departments wish to recommend an increase beyond 10 percent in specific cases, they are advised to discuss the budgetary implications with their academic deans or associate deans.
- The minimum base adjustment to qualify for central campus contribution is 5 percent (i.e., 2.5 percent from central campus).
- When funding splits between 101 and non-101 funds underwrite faculty salary, the portion of the base adjustment borne equally between central campus and deans refers to the 101 share of the salary.

4. Calendar and process

*Due-date for initial spreadsheets indicating which one-fifth of faculty will be addressed, to the Office of Human Resources: **January 23***

*OHR calculation spread sheets to schools/colleges/departments: **February 16***

*Suggested due date for departments to send recommendations to schools/colleges: **March 30***

*Due date for deans to send recommendations to Office of Human Resources: **May 1***

- If a base adjustment is justified by analysis of compression-equity in tandem with performance review and the other factors mentioned above, departments should indicate the target salary rate, and the base adjustment recommendation. Note the 101-fund share of the base adjustment, and the dollar cost division between the central campus level, and the school/ college/department level.
- Deans should briefly summarize their recommendations and rationale on the Compression-Equity Recommendation Form, and send the form to Office of Human Resources no later than May 1, 2015. The Compression-Equity Recommendation Form is attached.
- Once the recommendations are received at OHR, central campus will review them and confirm or modify the requests and the central campus contribution to base adjustments. The process will take about a month.

5. Questions

Chairs who have questions should consult their academic deans or associate deans. Deans who cannot answer questions should confer with Vice-Provost Michael Bernard-Donals, at 262-5246, or mfbernarddon@wisc.edu. Questions about deadlines and delivery of data to OHR may be directed to Catharine DeRubeis, 262-7102, or cderubeis@ohr.wisc.edu.

Attachments:

Current UW-Madison faculty promoted or appointed to full professor rank prior to July 1, 2005
Compression-Equity Recommendation Form
Formula for UW-Madison Compression-Equity Pay Exercise

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