TO: Deans, Directors, and Departmental Executive Officers

FROM: P. Barry Butler, Executive Vice President and Provost
      Rodney Lehnertz, Interim Senior Vice President and Treasurer

RE: 2015-2016 Salary Program

DATE: June 12, 2015

Instructions for implementing the 2015-16 Salary Program are attached. The program is based on collective bargaining agreements, policies recently approved by the Board of Regents Executive Director, and state appropriations subject to the Governor’s approval.

The current FY 2016 University of Iowa General Education Fund revenue budget assumes a $2.9 million non-recurring state appropriation increase along with Board-approved base tuition increases. Select tuition supplements and a 4.3% decrease in indirect cost recoveries revenue have also been included within the General Education Fund budget.

Salary increments for non-bargaining faculty and staff should be distributed differentially to individuals based upon performance and market competitiveness demands. This will provide collegiate and other major units latitude in establishing salary policies within a defined range, regardless of source of funds. It will also enable units to reward high achieving faculty and staff accomplishing the strategic plan of the University in a measurable way.

The decisions you are making now should be based on the policies within this document. Colleges, divisions, or other major administrative units may provide additional guidelines as long as they conform to these policies. The results of the process are not considered final until the Board of Regents approves the final budget at its August 5, 2015 meeting.

The electronic budget and salary file will be available in Self Service to administrative offices on June 15, 2015. Electronic budget and salary entries are due to the University Budget Office by 12:00 p.m. on July 1, 2015. Colleges and divisions with employees holding joint appointments in other colleges and divisions should coordinate with the appropriate budget officers as early as possible so as not to delay an administrative area’s ability to finalize its budget decisions. Individuals should be informed of their salary increases prior to July 17th, subject to individual pay increases being within this policy or explicitly approved by the Office of the Provost or University Human Resources. Senior Human Resource leaders are available to suggest best practices for communication with individuals regarding salaries.
Faculty

No new funds will be allocated to General Education Fund supported budgetary units. Funding will come from internally reallocated sources.

The overall average salary increase for all faculty within each college, vice presidential unit, or other major administrative unit will be between 1.0% and 3.0%, regardless of source of funds. Units will have latitude with individual faculty pay adjustments based upon individual circumstances and performance, but the average increase for each major unit must fall within the range cited above, unless prior agreement for a different policy target is reached with the Executive Vice President and Provost.

Salary increases for individual faculty will reward performance and address any equity issues. Individual salary increases may range from 0.1% to 5.0%. Written justifications for individual faculty salary increments at 0% and greater than 5.0% must be submitted for prior approval to the Associate Provost for Faculty.

Major units will be allowed, within their budget limitations and reallocations, to provide on a case-by-case basis promotion increases, counter offers to retain highly valued faculty, and similar critical adjustments.

Promotion increments are in addition to performance increments and to any other salary adjustment authorized for the promoted faculty member (a promotion involves a change in rank). Promotion increases for FY 2016 are set at the following levels (tenure and clinical tracks):

- Assistant to Associate Professor $2,500
- Associate to Full Professor $3,500

The Carver College of Medicine and the Colleges of Dentistry, Pharmacy, and Nursing will continue to be authorized in FY 2016 to pay variable compensation to faculty based on productivity, as previously approved by the Board of Regents, subject to approvals by the Office of the Provost and University Human Resources.

Non-Bargaining Professional & Scientific (P&S) Staff

No new funds will be allocated to General Education Fund supported budgetary units. Funding will come from internally reallocated sources.

The overall average salary increase for all non-bargaining P&S staff within each college, vice presidential unit, or other major administrative unit will be between 1.0% and 3.0%, regardless of source of funds. Units will have latitude with individual P&S staff pay adjustments based upon individual circumstances and performance, but the average increase for each major unit must fall within the range cited above, unless prior agreement for a different policy target is reached with the Vice President for Human Resources.
The University’s Board approved compensation plan provides a framework for making salary decisions that include personal performance and competitive market place conditions. Individual salary increases may range from 0.1% to 5.0%. Written justifications for individual P&S staff salary increments at 0% and greater than 5.0% must be submitted for prior approval by the Vice President for Human Resources.

Requests to provide lump sum payments for performance or an increase to base for employees whose salary is above the market range maximum must also receive prior approval from University Human Resources.

Senior Human Resource leaders in each college and division are prepared to assist you in utilizing the adjusted market ranges and median zones as a factor in salary decisions.

Major units will be allowed within their budget limitations and reallocations to provide on a case-by-case basis promotion increases, counter offers to retain highly valued staff, and similar critical adjustments. Units must fund within this salary policy promotions and career advancements made effective on July 1 excluding those July 1 transaction adjustments that are a direct result of a documented early retirement program incentive agreement.

The University will continue to utilize the Board approved non-recurring exceptional performance pay policy for non-bargaining P&S staff. These payments should be both selective and reflective of the University’s economic circumstances. Achievements recognized by these awards include activities such as completion of a major project, sustained exceptional performance, outstanding productivity and revenue generation. This is entirely non-recurring compensation.

**Additional Information**

Attachment A provides detailed information on wage adjustments for unionized staff.

Attachment B lists the fringe pool rates for FY2016.

Attachment C provides the general salary increase guidelines.

Attachment D provides the P&S salary schedule for FY2016.

This information can be accessed at: [http://hr.uiowa.edu/hr/salary](http://hr.uiowa.edu/hr/salary)