Standard Administrative Policy and Procedure

Subject: Annual Salary Distribution Policy
Number:

I. PURPOSE:

In an effort to attract, retain, and reward a talented, valuable, and productive workforce, this policy outlines provisions to ensure that compensation decisions and practices are consistent and equitable, are documented and reviewed, are based on objective criteria, and ultimately contribute to the effective administration of the University of Wyoming.\(^1\)

II. POLICY:

This Policy defines the annual salary distribution process for salary adjustments that are based on market and merit, taking into account such important factors as compression, inversion, equity, and contributions towards the University’s mission and strategic plan. This Policy does not apply to salary adjustments related to tenure and promotion or job reclassification. Additionally, salary adjustments for retention purposes generally arise throughout the year and the annual salary distribution process is not the appropriate vehicle. The President of the University will address and approve retention requests from a separate pool based on the individual facts and circumstances and following appropriate reporting structures.\(^2\)

III. INITIAL SALARY DECISIONS

The process for recommending a market distribution/raise will include the same process the University uses to establish a starting salary. This approach provides both transparency and consistency. In addition to salaries at peer institutions, the University will incorporate information

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\(^1\) Turnover of University employees is costly, and a direct opportunity cost to the primary mission of the University. The process of recruiting new employees includes processing applications; interviewing applicants, for example at a national or regional conference; flying a short list of candidates to Laramie for on-campus interviews; and negotiation with prospective hires. Start-up packages are often required to successfully recruit new faculty; these packages need not be long-lived (for example, they may entail one-time expenses for equipment, or summer support for the first few years of the new faculty member’s tenure), but the expenses must be borne with any new hire. Moreover, to the extent that the salary money available in a line is inadequate to attract the prospective hire, some ancillary source of funding has to be identified. For these reasons, it is important that the line have sufficient resources associated with it to enable successful recruitment, should a new hire be required.

\(^2\) If an employee does receive a salary adjustment for retention purposes, that employee will not be eligible for additional market or merit raises in the year the employee received the retention adjustment.
about total compensation into both job offers and annual total compensation statements to existing faculty and staff.

The University will strive to achieve and maintain a superior, high-performing workforce by using the **average** market salary, both for starting salaries and market-based raises for all University employees (market defined below for each category). This will help the University recruit and maintain excellent faculty and staff.

**Classified staff**

For classified staff positions, each job is placed into a salary grade based on the market rate and internal equity. The initial offer is set at an established point within the first quartile of the pay range. If the candidate declines the offer, the hiring manager can request to pay at a higher rate, supported by evidence that the candidate has demonstrated more than the minimum required skills and experience. The request is reviewed by classification/compensation to see if (1) it is within market, and (2) it does not greatly impact internal equity.

Market is defined using five different figures: (1) average of near peers (CUPA data); if no comparable salary information is available, additional salary information can be gathered from (2) average of stretch peers (CUPA data); (3) average of public doctoral (CUPA data); (4) comparable state positions; and (5) regional salary surveys, including Mountain States (Employers Council) and ERI (Economic Research Institute).

The salary grade matrix will be updated every two years.

**Administrative at-will employees (including executive level)**

Appropriate Vice President (or President if executive level) recommends a starting salary based on three different figures: (1) average of near peers (CUPA data); if no comparable salary data is available, the Vice President may seek data from (2) average of stretch peers (CUPA data); and (3) average of public doctoral (CUPA data).

**Faculty and Academic Professionals**

Deans recommend a starting salary for faculty based on five different figures: (1) average of near peers (CUPA data) specific to the discipline and level of the position. If a particular position cannot be determined in this category, the Dean may then seek data from the following: (2) average of stretch peers (CUPA data); (3) Tenure track national average (OSU survey); (4) Region 1 Average (OSU Survey); and (5) R2 – High Research Activity (OSU Survey).

For academic professionals, Deans may use the OSU “Other Faculty” and/or “Non-tenure Track Faculty” categories where appropriate. If an appropriate OSU category in the discipline does not

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3 If the employee is graduate medical education faculty, clinic staff, or residency staff, additional salary surveys will be used, including WWAMI Family Medicine Residency Network salary surveys and MGMA (Medical Group Management Association) community and regional salaries.
exist, Deans may use salary information from other discipline specific comparators including, but not limited to, national professional organizations, government agencies, and other peer institutions.

**Athletic employees**

Athletic Director recommends a starting salary based on three different figures: (1) average of Mountain West institutions; if there are no comparable salaries, then additional salary information can be gathered from (2) average of stretch peers and (3) average of Group of 5 Conference Institutions (American Athletic Conference, Conference USA, Mid American Conference, Sun Belt Conference, Mountain West Conference). If there are no comparable salaries, then additional regional salary surveys are used, including CUPA, ERI (Economic Research Institute), and EduComp.

**IV. ANNUAL SALARY DISTRIBUTION PROCESS**

The Board of Trustees, considering economic conditions, and at the recommendation of the President of the University, shall approve the salary pool for annual salary adjustments. The salary pool may be distributed based on market, merit, compression, inversion, equity, contribution towards mission or strategic plan, or a combination thereof. The initial distribution of components for 2018 shall be 60% for market and 40% for merit (as described below). In future years, the President of the University shall annually determine the distribution and weight of the Board-approved salary pool towards each salary adjustment, taking input from a salary review committee as appointed by the President. This committee shall solicit information from the Vice Presidential Divisions, Colleges, Departments, Faculty and Staff Senates.

This annual distribution process is wholly dependent on the Board of Trustees identifying and approving funding for the process.

**V. SALARY ADJUSTMENTS**

1. **Merit Increases**

Merit increases are individual percentage increases to an employee’s salary based on the employee’s level of performance as determined during the annual performance evaluation performed by the employee’s supervisor. Supervisors who fail to provide annual performance reviews for their employees are ineligible to receive a merit adjustment. In these circumstances, it will be the responsibility of the next level supervisor to provide the performance review(s) to the respective employees. Similarly, any employee who has not completed and signed the applicable portions of their annual evaluation or signed their job description/PDQ will not be eligible to receive a merit adjustment.

Merit shall be assessed by academic and division units on the basis of expectations within their discipline, and reviewed by College and division leadership for sufficiency and

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4 Increases in salaries for promotions shall be in accordance with university regulations.
consistency. A transparent process for transmitting formal annual reviews to College and Division leadership will be developed, with appropriate instruction on what is needed within the document. Annual reviews for each employee category shall be conducted using the tool identified by the University. Faculty and academic professionals may use a three-year rolling performance rating for scholarship at the discretion of the College and as approved by the Provost. To use the three-year rating, the employee must have received an annual evaluation for at least three years, and the rating may only include the most recent consecutive three years.

Currently, classified staff, administrative at-will, and athletic employees are evaluated on a 5-point scale: (1) unacceptable; (2) needs improvement; (3) meets expectations; (4) exceeds expectations; and (5) far exceeds expectations, or some similar combination of terms.

For classified staff, administrative at-will, and athletic employees (those on a 5-point scale), there shall be a minimum raise for employees who are rated as satisfactorily performing their job duties and two levels of merit raises:

- 3.0-3.49 Satisfactory performance raise
- 3.50-4.49 Exceeds expectations raise
- 4.50-5.0 Outstanding raise

Faculty and academic professionals are evaluated on a 3-point scale: (1) performing below expectations; (2) meets expectations; and (3) exceeds expectations.

For faculty and academic professionals (those on a 3-point scale), there shall be a minimum raise for employees who are rated as satisfactorily performing their job duties and two levels of merit raises:

- Meets expectations in all categories Satisfactory performance raise
- Exceeds expectations in at least one category Exceeds expectations raise
- Exceeds expectations in two or more categories Outstanding raise

UW Regulation 5-808, which addresses post-tenure reviews, specifically states that: “Proceeding according to expectations is considered meritorious for salary raise purposes.” In the event that a faculty or academic professional employee receives a “performing below expectations” in any category, they will not be eligible for a merit raise. Additionally, per UW Regulation 5-808, salary increases are not available to any faculty member working under a performance improvement plan.

2. **Market Adjustments**

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5 Academic job descriptions include some combination of the following categories: research and creative activities, teaching, service, advising, and extension.
Total compensation

A salary review committee as appointed by the President will also look into the total compensation package when determining market. In anticipation of this approach the University will define the components to be included in a total compensation calculation, including participating in the CUPA Annual Benefits Survey. For fiscal year 2020, Total Compensation will be used to determine market as approved by the Board of Trustees.

Market based on merit

The Task Force proposes that to receive a market raise, the employee must receive at least a meets expectations on the performance evaluation.

See above under section titled “Initial Salary Decisions” for how market will be determined.6

3. Increases Based on Compression, Inversion or Equity

The President of the University, with approval of the Board of Trustees, may set aside a percentage of the salary pool to address individual salary issues of compression, inversion or equity identified during the annual distribution exercise. To request access to these funds, the Department or Unit Head must identify the particular salary issue, access comparative salary data from Human Resources, and submit a written request following appropriate reporting structures. Once approved, the Vice President will submit the request to the President.

If salary issues of compression, inversion or equity are identified outside the timeframe for the annual salary distribution process, they may be addressed off-cycle by the appropriate Vice President with approval from the President.

4. Increases Based on Contributions towards Mission or Strategic Plan

The President of the University, with approval of the Board of Trustees, may set aside a percentage of the salary pool to address recognition of employees who contribute to the mission of the University or implementation of the University’s strategic plan in ways beyond the expectations associated with their job description. This includes accreditation standards for disciplines that have academic boards. The President will establish a process and criteria for Vice Presidents and Deans to apply for and receive these funds during the annual salary distribution process. These salary adjustments are ongoing and shall permanently increase the employee’s base salary.

VI. ELIGIBILITY, DISTRIBUTION, AND NOTIFICATION

6 The actual percent raises would be calculated based on the set raise pool for the particular year (e.g., $3.5 million market raise pool) and the number of employees below market. HR would run this data for every single employee eligible for a market raise (i.e., meets the merit component) and provide the calculated % raise.
All full time and part time fiscal year benefited employees hired before July 1 of the preceding year who have been continuously employed during that period will be eligible for a salary adjustment during the annual salary distribution process. All full time and part time academic year benefited employees hired before September 1 of the preceding year who have been continuously employed during that period will be eligible for a salary adjustment during the annual salary distribution process. Salary adjustments will be effective July 1 for fiscal year employees or the beginning of the academic year for academic year employees.

Each employee will receive an annual written communication with any applicable or earned salary adjustment(s). This communication will contain information about the total compensation package for each employee, including salary, benefits, retirement, health insurance, access to tuition waivers, and other advantages associated with employment at the University.

**Responsible Division/Unit:** Human Resources Department, Division of Administration  
**Source:** None  
**Links:** [http://www.uwyo.edu/regs-policies](http://www.uwyo.edu/regs-policies)  
**Associated Regulations, Policies, and Forms:** UW Regulation 2-3; UW Regulation 2-10  
**History:** Approved 3/22/2018 (Board of Trustees meeting)