

MEMORANDUM

TO: Deans, Directors, and Departmental Executive Officers

FROM: Lola Lopes, Interim Executive Vice President and Provost
Douglas K. True, Senior Vice President

RE: 2008-2009 Salary Program

DATE: May 6, 2008

Instructions for implementing the 2008-09 Salary Program are attached. The program is based upon collective bargaining agreements as well as appropriations and policies subject to approval by the Governor and actions by the Board of Regents, State of Iowa. Legislative action on appropriations is expected to provide the Board approximately \$41.9 million in appropriation increases for salaries.

The FY09 University of Iowa General Education Fund revenue budget assumes a 6.0% tuition rate increase for non-resident undergraduate and graduate students and a 3.2% increase for resident undergraduate and graduate students. Selected professional school tuition supplements are in addition to this. Indirect cost recoveries are budgeted to grow 2%. The Board of Regents has required a further reallocation of at least 1% of the General Education Fund budget, approximately \$5.5 million.

The decisions you are making now should be based on the guidelines in this document. Colleges and divisions may provide additional guidelines. The results of the process are not considered final until the Board of Regents approves our final budget at its June 11-12 meeting. The budget and salary application instructions will be available on the Budget Development web page May 9. The electronic budget and salary file will be distributed to administrative offices on May 16. Electronic budget and salary entries are due to the Budget Office June 2. Colleges or divisions with employees holding joint appointments in other colleges and divisions should coordinate with the appropriate Budget Officer as early as possible and not delay an administrative area's ability to finalize their budget decisions. Individuals should be informed of their salary increases prior to July 1. Senior Human Resource Leaders are available to suggest best practices for this communication.

Faculty

The FY09 faculty salary increment targets range between 3.75% and 4.40%, varying across colleges. The increments and the cost of fringe benefit increases will be awarded on July 1, 2008. Funding for the increments will come from new and internally reallocated sources. The targets include amounts for promotional increases, counter offers, equity matters, compression issues, and merit increases. Given that different colleges have different faculty salary increment targets, each Dean will clearly indicate to their faculty the applicable targeted merit increase percentage for their unit.

Improving faculty salaries has been the cornerstone of the recent strategic efforts to improve faculty vitality. FY09 marks the third year for differential collegiate faculty salary targets. This effort has allowed several colleges that generate greater than average net revenue contributions

toward the General Education Fund to address serious faculty salary issues. The University of Iowa now ranks 8 of 11 among Regent peer institutions and 6 of 10 among Big Ten public universities (compared to 11 in the peer group and 9 in the Big Ten when the vitality effort started). Based on early information, the FY09 faculty salary policy should enable the University to maintain its position in both the Regent peer and Big Ten public comparisons.

Colleges must implement target faculty salary increments within the General Education Fund (GEF). Colleges are also expected to implement the target faculty salary increments outside of the GEF. A college's non-GEF increment may fall below the target if the college has received prior approval from the Provost Office.

Other faculty compensation plans already approved by the Board of Regents including Medicine-Clinical, Medicine-Basic Sciences, Dentistry, and Pharmacy remain in effect. These colleges must submit a summary of FY08 salary actions under these plans to the Provost by May 31, 2008.

In summary, colleges must fund the following increments for faculty within the salary policy:

1. Salary increases based upon individual contribution/performance (each Dean will indicate to their faculty the applicable targeted merit increase percentage for their unit).
2. Promotions (tenure and clinical tracks) at the following levels:

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

Promotion increments are in addition to a performance increments and any other salary adjustment authorized for the promoted faculty member.

3. Special pay adjustments in response to market pressures, compression, and comparable worth/pay equity concerns, as well as other special needs.

Written justifications for individual faculty salary increments outside a 0% to 10% range must be submitted for prior approval to the Associate Provost for Faculty, Susan Johnson.

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

Funds equal to 4% of non-union P&S staff salaries plus fringe benefit costs will be allocated to General Education Fund supported budgetary units. Funding will come from new and internally reallocated sources. The average salary increase policy for non-union P&S staff salaries for each college, vice president unit, and other major administrative units is between 4% and 5.5%, regardless of source of funds, unless prior agreement for a different policy target is reached with Susan Buckley, Associate Vice President and Director of Human Resources. The salary increments to individual staff should be distributed on the basis of performance. Units must also compensate for promotion and reclassification, make progress in resolving issues relating to comparable worth/pay equity concerns, compression problems, market adjustments or other special needs consistent with guidelines provided below under item 2.

Colleges and divisions are encouraged to use the P&S research FY08 and the P&S general FY07 salary benchmarking survey results, as well as other peer benchmarks, as points of reference in determining salary increases. Senior Human Resource Representatives in each college and

division are familiar with these surveys and can assist you in interpreting their implication for individual employees.

Colleges and other units must fund the following increments for non-union P&S staff within the salary policy:

1. Salary increases based on individual contribution/performance.
2. Reclassifications (see Attachment C, item 3). Reclassifications effective on July 1 will be included in the July 1 salary policy. Reclassifications effective after July 1, 2008, will not be included in the July 1, 2008, salary policy.

Colleges and other units may fund special pay adjustments in response to market pressures, compression, comparable worth/pay equity concerns, as well as other special needs outside the average org salary policy (4% - 5.5%) with prior approval from Central Human Resources. In these cases, colleges and major administrative units must also report their all-inclusive overall average.

Written justifications for individual P&S staff salary increments outside a 1% to 10% range must be submitted for prior approval to the Associate Vice President and Director of Human Resources, Susan Buckley.

Additional Information

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

Attachment B lists the fringe pool rates for FY09.

Attachment C provides the general salary increase guidelines.

Attachment D provides the P&S salary schedule for FY09.

This information can be accessed at <http://www.uiowa.edu/hr/salary/index.html>