



The Critical Compensation Fund: Evaluation and Recommendations for Improvement

A report by the academic staff Critical Compensation Fund Evaluation Workgroup, jointly sponsored by the Advisory Committee on Budget Issues, Policies, and Strategies and the Compensation and Economics Benefit Committee



CCF Results

- Salary Increases to 1,327 Academic Staff
 - 20.6% of eligible Academic Staff
- Average increase of \$4,695
 - 7.75% of salary



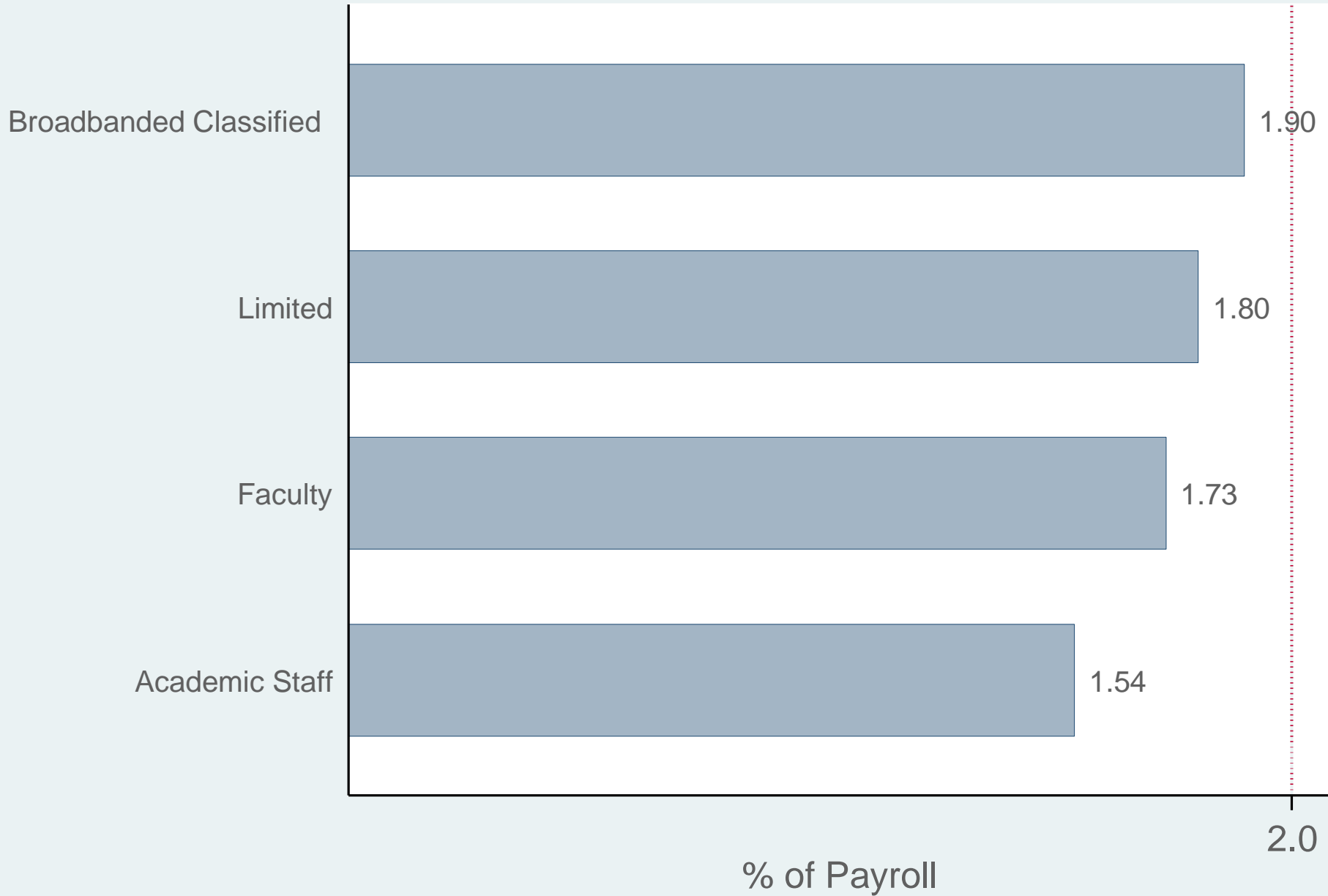
“The Critical Compensation Fund made a big difference in my morale. It happened around the time that we had to start paying more for our benefits. I would have been in financial trouble if I hadn’t received the Critical Compensation Fund when I did.” —Wisconsin Center for Educational Research (WCER) Employee



Topic #1: Quantity and Distribution of CCF Awards

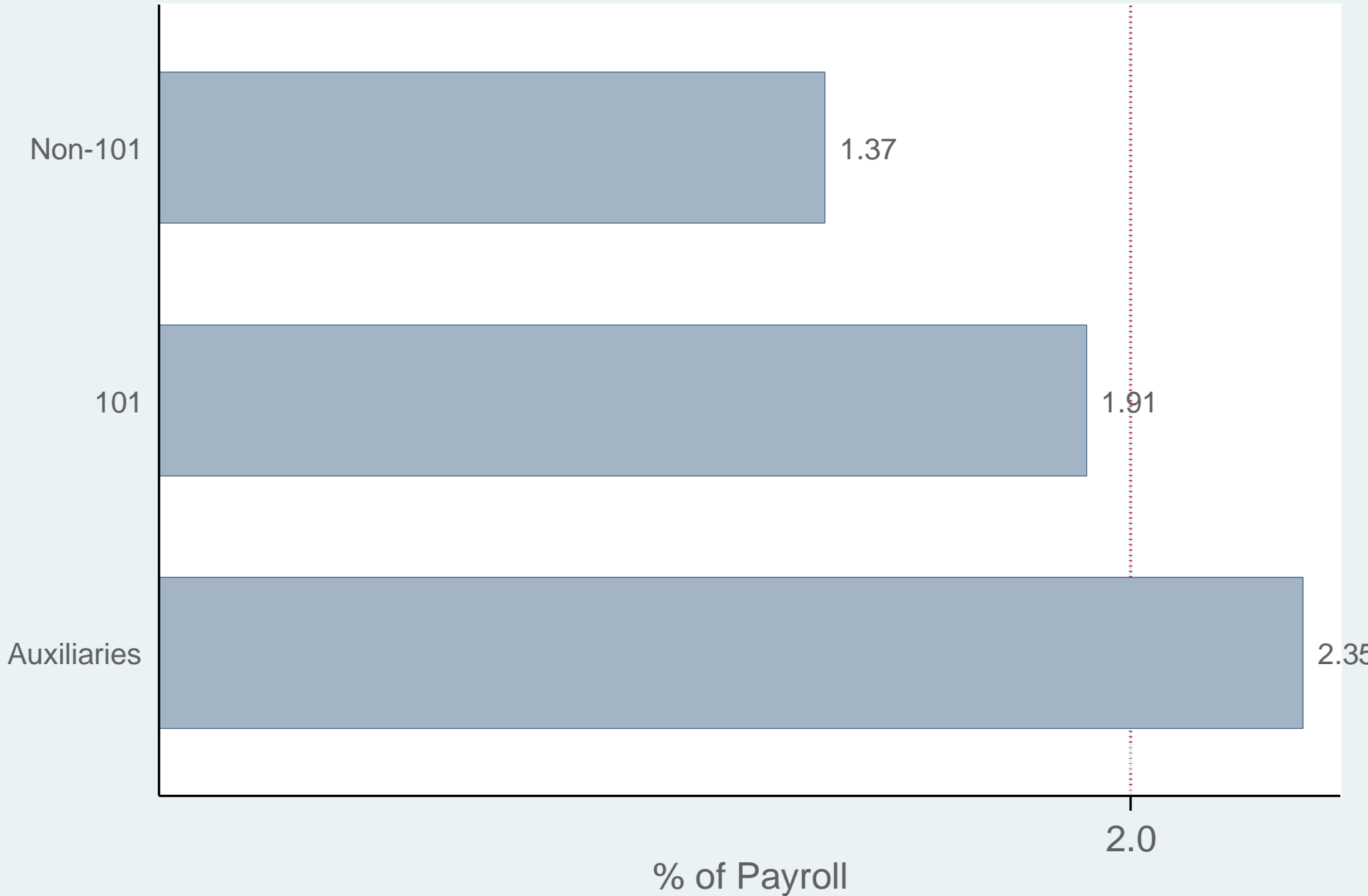
- Total CCF awards were less than the program's target of 2% of payroll.
- CCF awards varied significantly by funding source, school/college/division, and minority status.

Total CCF Awards as % of Payroll By Employee Type



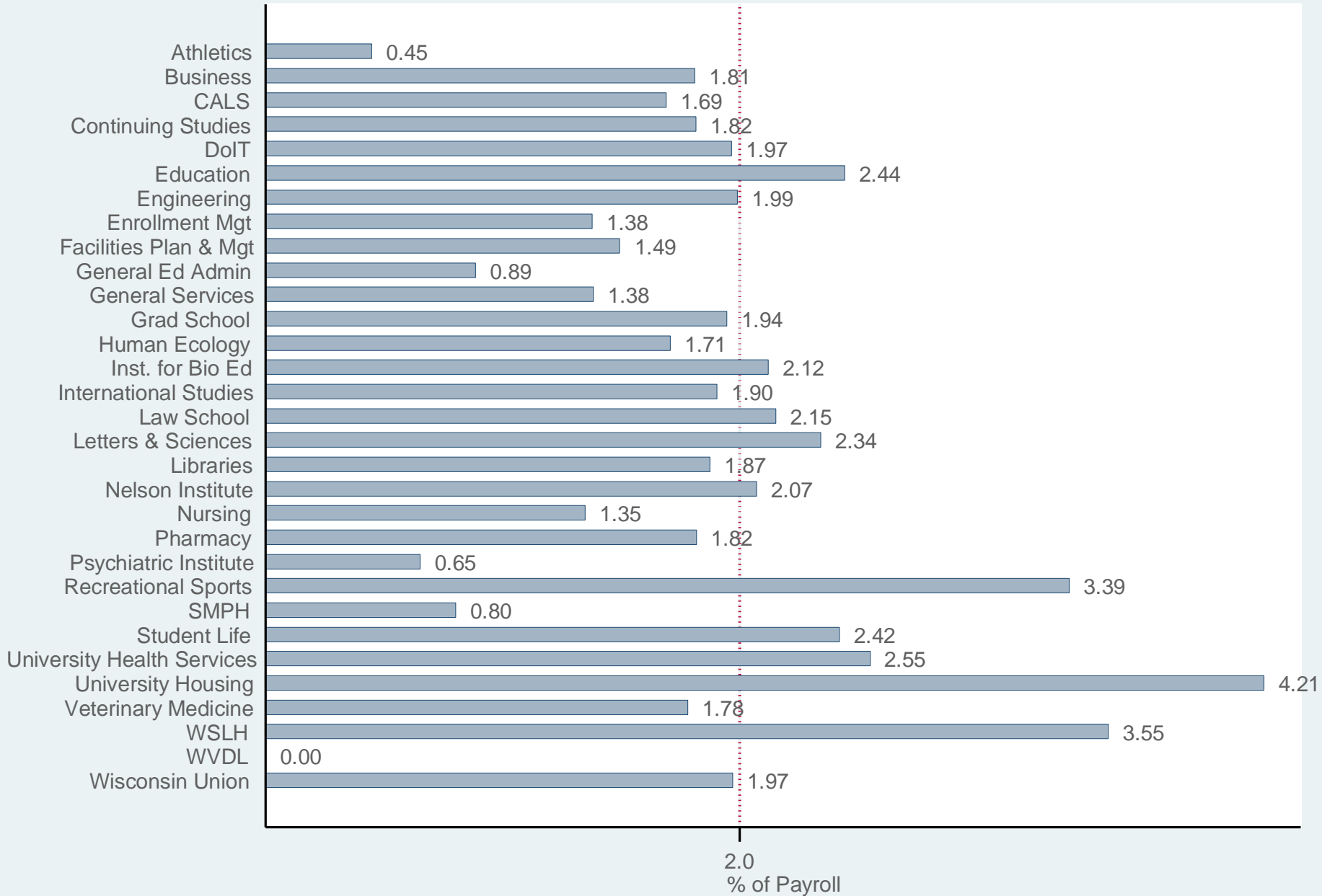
Source: UW-Madison Human Resources Administrative Data

Total AS CCF Awards as % of Payroll By Funding Source



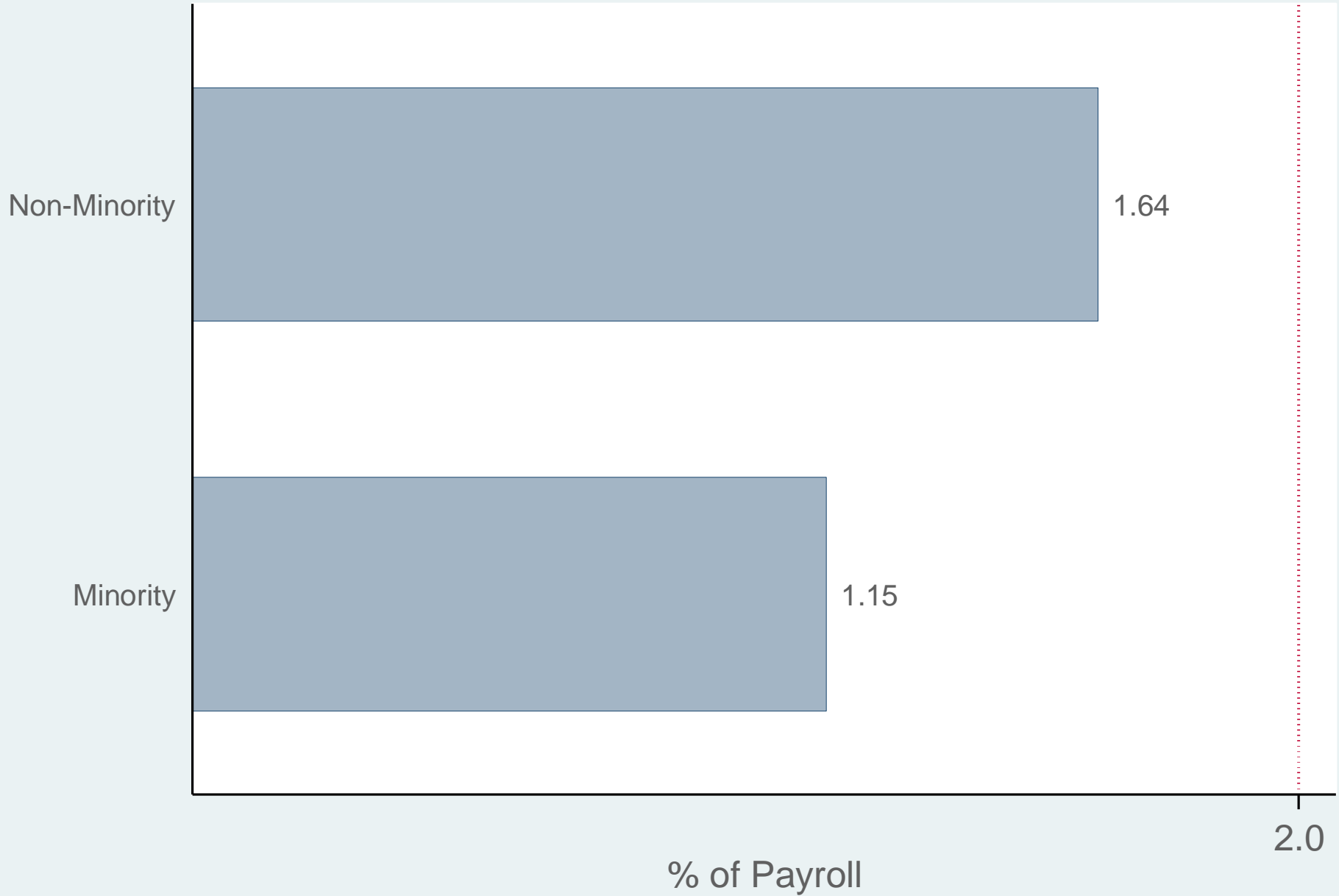
Source: UW-Madison Human Resources Administrative Data

Total AS CCF Awards as % of Payroll By Division



Source: UW-Madison Human Resources Administrative Data

Total AS CCF Awards as % of Payroll By Minority Status



Source: UW-Madison Human Resources Administrative Data



Recommendation 1

Require that each school/college/division's proposed use of CCF meet or exceed the CCF target percent of payroll for academic staff, faculty, and limited employees separately unless they receive prior approval from the Academic Personnel Office. Total CCF awards as a percent of payroll should be approximately the same for employees on GPR and non-GPR funding sources, for men and women, and for minorities and non-minorities. Any significant variance requires the prior approval of the Academic Personnel Office.



Recommendation 2

Human resources staff should be proactive in helping identify employees who are good candidates for CCF awards, particularly if an initial proposal falls short of the target for some categories.

“[School of Education Acting Dean] Adam Gamoran and a WCER administrator reviewed equity issues to prompt units to put forward recommendations.”

—WCER Administrator



Recommendation 3

Allow for CCF awards that take effect at a future date.



Topic #2: Implementation of CCF by Units

- Implementation of CCF varied widely between units
- Supervisors sometimes did not have all the information they needed to make informed decisions about CCF awards.
- Some units had difficulty meeting CCF deadlines, and carrying out the CCF exercise during the summer created problems for some units.



Recommendation 4

If a unit does not recommend any employees for CCF awards, require it to provide a justification for this decision.



Recommendation 5

Clarify the roles of central campus, schools/colleges/divisions, and departments/centers/units.



Recommendation 6

Continue to encourage all supervisors to conduct regular performance evaluations.

“If this exercise is repeated in the future, I would suggest it be tied to the annual performance review.”
—*WCER Employee*



Recommendation 7

Academic staff should be encouraged as part of the CCF process to present relevant information to their supervisors and advocate for themselves.

“My involvement in the process maximized the improvement in my morale. I felt that someone was trying on my behalf; I was able to give input.”

—WCER Employee



Topic #3: Communication

- Awareness and understanding of CCF varied greatly.



Recommendation 9

Develop a comprehensive communications plan.



Highlights of Suggested Communication Plan

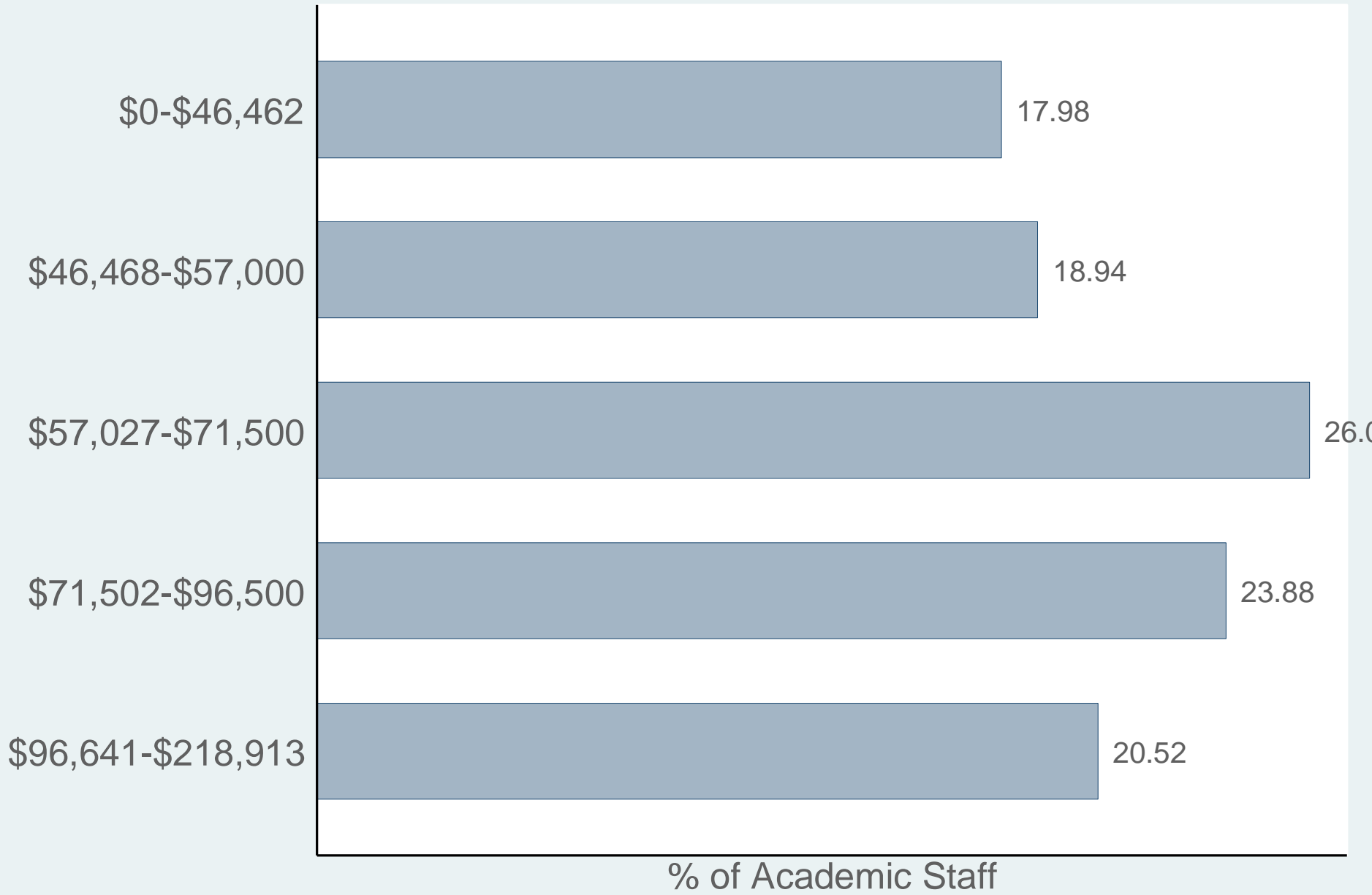
- Make sure it reaches everyone
- Avoid HR jargon
- Hold workshops for supervisors
- Encourage face-to-face meetings
- Notify recipients
- Publicize timeline
- Debrief afterwards



Topic #4: Other CCF Requirements and Constraints

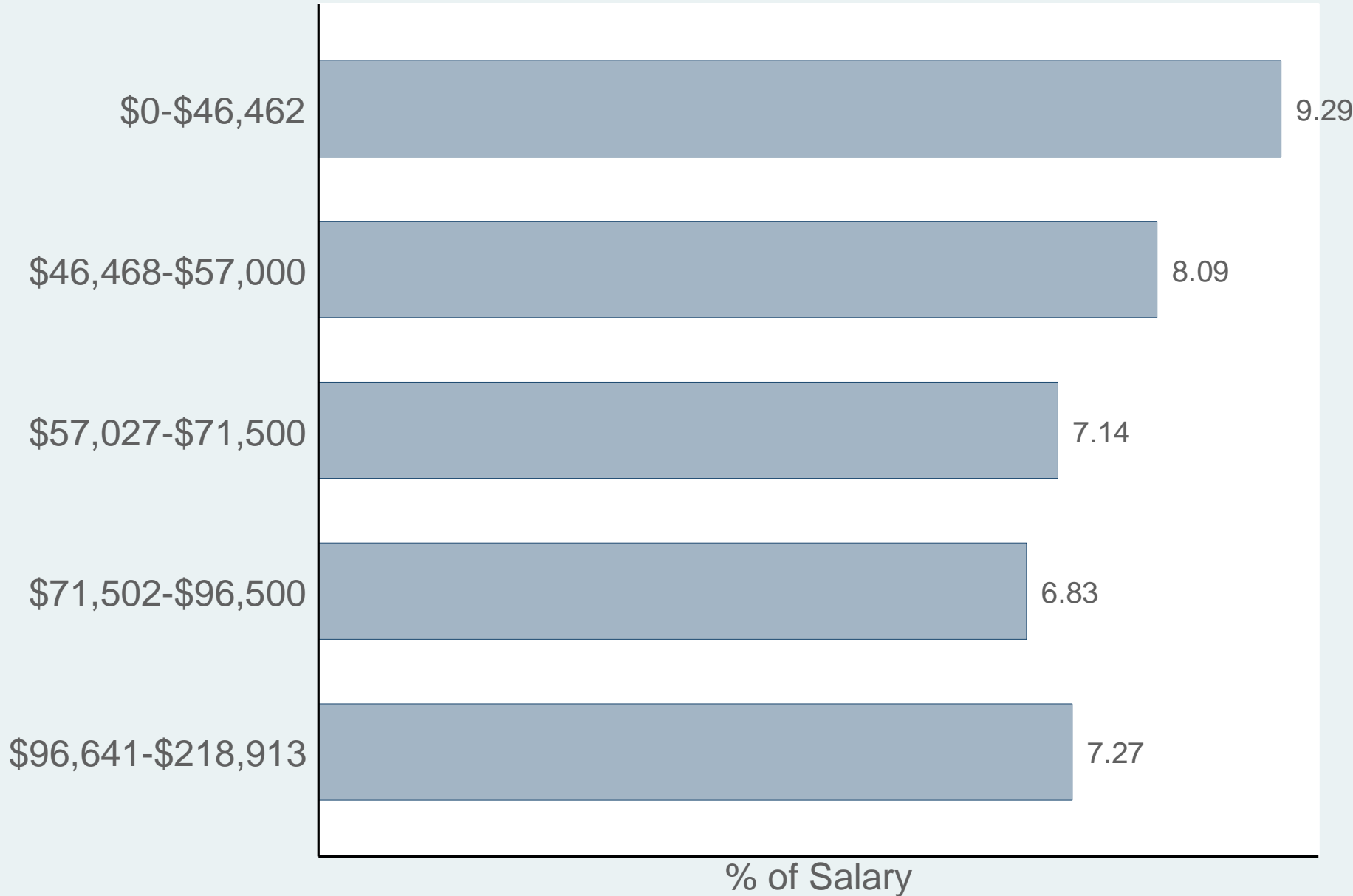
- Benefit changes implemented by Act 10 had a disproportionate impact on low-income academic staff.
- CCF increased academic staff salaries but did not increase Category A maxima. Category A maxima also constrained some CCF awards.

% of Academic Staff who received CCF Awards by Salary Quintile



Source: UW-Madison Human Resources Administrative Data

Mean CCF award as % of Salary by Salary Quintile



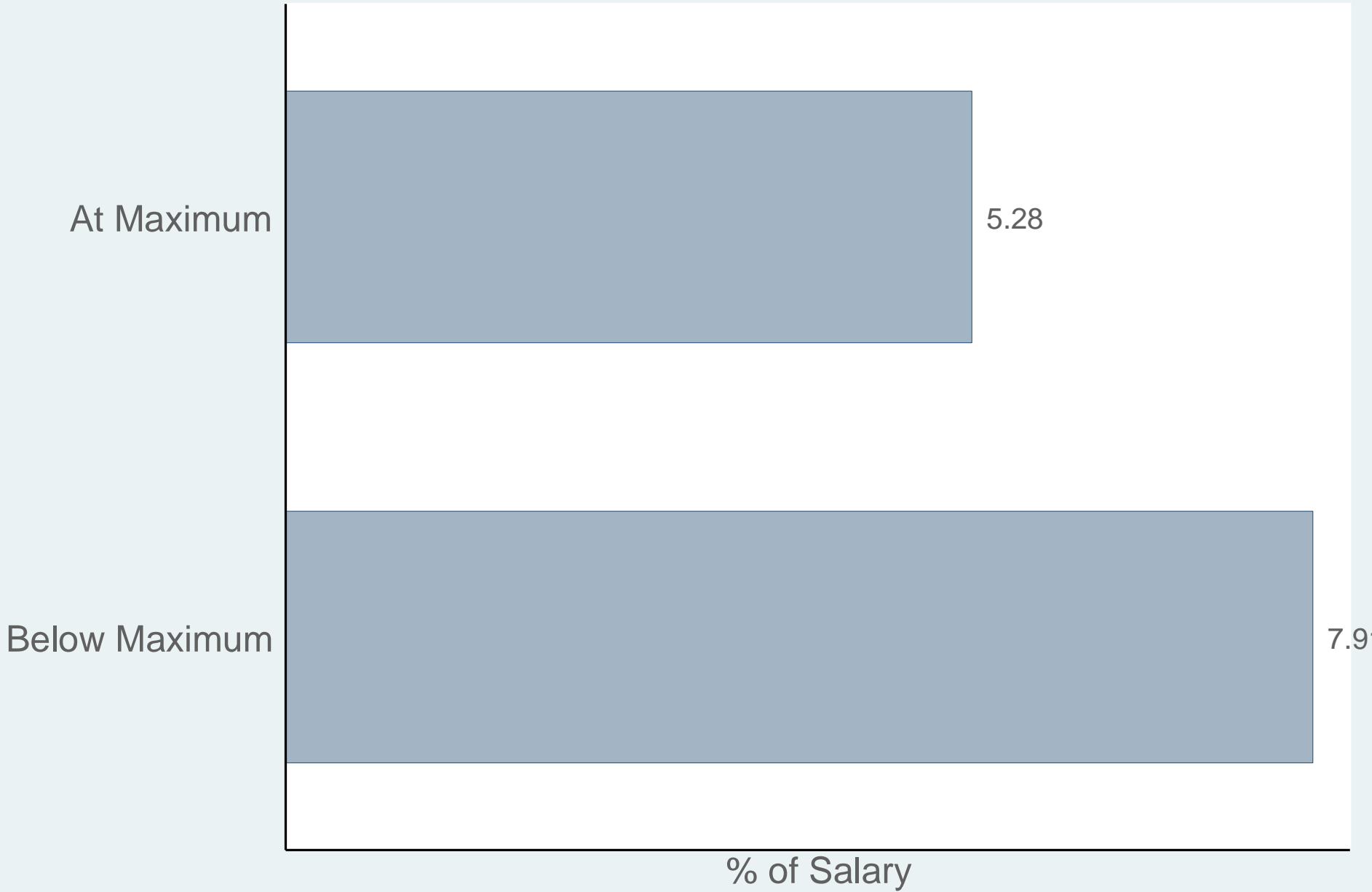
Source: UW-Madison Human Resources Administrative Data



Recommendation 10

Continue the use of a minimum award and minimum percent of salary for academic staff.

Mean CCF Award as % of Salary for Cat A Staff At or Below Maximum



Source: UW-Madison Human Resources Administrative Data



Recommendation 11

Develop and implement mechanisms which will ensure Category A maxima keep pace with both salaries and inflation. Consider whether the constraints created by Category A maxima are in the best interests of the University.



Topic #5: Future Compensation Exercises

- Most UW-Madison employees, including many Principal Investigators and others who set budgets, did not anticipate CCF (or any compensation exercise in 2012). Future compensation exercises remain uncertain.



Need for Compensation Tools Specific to Academic Staff

2011: Median Academic Staff salary **55.0%** of
median Faculty salary

2013: Median Academic Staff salary **53.8%** of
median Faculty Salary



Recommendation 12

Carry out a compensation exercise (pay plan, CCF, etc.) annually.