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**Critical Compensation Fund 2013-14:
Summary of Results
(23 June 2014)**

Background

The Critical Compensation Fund (CCF) is a UW-Madison-specific compensation tool approved by the Chancellor in collaboration with campus governance and leadership. The 2013-14 CCF was the second year for the program, following the 2012 CCF. The CCF is the first pay tool in recent years designed to apply to all permanent employee categories. CCF is not a pay plan, however; adjustments under CCF were targeted to be awarded to 30 percent of employees. The "budget" for the 2013-14 CCF investment was one percent of base payroll (\$8.25 million).

This second year of the CCF incorporated improvements based on feedback and analysis of the first-year program. Specifically, the second round included:

- A longer and more flexible time window (from November 14, 2013 until March 31, 2014) for local CCF decision-making and implementation (including the deans' approval processes), to respond to communication, engagement, and governance concerns;
- A more robust campus/HR communication process, to take optimal advantage of the lengthier decision window and respond to feedback from the first year of the CCF;
- Greater clarity about the requirement to meet dollar target allocations, for both GPR- and non-GPR funded positions;
- Ability for category A academic staff at or near the salary maximum to receive CCF increases;
- A requirement that at least 50 percent of the allocated funds be awarded to employees who did not receive CCF awards last year; and
- Greater flexibility by allowing a target of awarding CCF increases to a range of 20-30 percent of all employees, instead of a flat 30 percent, the target in the first CCF.

Results

Tables 1 and 2 below show summary CCF results, which are on the whole positive. Specifically:

- All eligible divisions awarded CCF increases. The Wisconsin State Lab of Hygiene and the Wisconsin Veterinary Diagnostic Lab did not participate because these divisions are governed by separate boards and therefore did not receive CCF allocations.
- Units were given an award percentage target of 20-30 percent of employees in each category, and 29 percent of employees (across all categories) received CCF awards.
- Campus leaders made a much stronger effort this year to spread CCF funds across all employee categories. As a result, CCF dollar targets were exceeded overall, for both GPR and non-GPR funding sources. This was achieved because divisions supplemented CCF allocations with their own funding.
- The percentage of CCF funds allocated to second-time awardees – about 16 percent – was well below the 50 percent threshold.

Table 1: Overall CCF Results

	All Employees	Academic Staff	Limited Staff	Faculty	Classified Staff
Number (headcount) of staff who received CCF awards	3,866	1,822	175	542	1,327
Percent of employees who received awards (30% target)	29.0%	28.9%	38.2%	25.0%	30.2%
Total amount awarded	\$11.66M	\$5.03M	\$0.77M	\$3.18M	\$2.67M
Target award amount	\$ 8.25M	\$3.58M	\$0.48M	\$2.30M	\$1.90M
Percent of Target amount awarded	141.3%	140.7%	159.8%	138.7%	140.9%
Percent of CCF funds to repeat awardees (50% cap)	16.2%	20.3%	22.3%	13.4%	10.0%

Table 2: Results by Funding Source

GPR	All Employees	Academic Staff	Limited Staff	Faculty	Classified Staff
Total amount awarded	\$6.26M	\$1.79M	\$0.46M	\$2.54M	\$1.47M
Target award amount	\$4.20M	\$1.13M	\$0.27M	\$1.73M	\$1.07M
Percent of target amount awarded	149.0%	158.5%	173.4%	146.6%	136.7%

Non-GPR	All Employees	Academic Staff	Limited Staff	Faculty	Classified Staff
Total amount awarded	\$5.40M	\$3.24M	\$0.31M	\$0.65M	\$1.20M
Target award amount	\$4.05M	\$2.45M	\$0.21M	\$0.56M	\$0.82M
Percent of target amount awarded	133.3%	132.5%	142.9%	114.7%	146.3%

Technical notes:

1. Headcount and \$ data per Budget Office.
2. GPR = 101 + 402 funds; non-GPR = all others.
3. Percent of target amounts awarded based on actual (not rounded-off) amounts.

June 23, 2014