

2013-14 CRITICAL COMPENSATION FUND: SUMMARY OF RESULTS

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 this 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. Instead, CCF adjustments 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).

CCF Improvements and Requirements

This second year of the CCF incorporated improvements in communication and process as well as additional requirements. These changes (described below) were based on feedback from employee governance groups and analysis of the first-year program.

- A longer and more flexible time window for local CCF decision-making and implementation (including the deans’ approval processes). The 2013-14 CCF time period extended for more than four months (November 14, 2013 until March 31, 2014). Larger divisions reported that this longer time period allowed them to make CCF decisions in a more thoughtful and thorough manner. Moreover, this extended time period allowed all eligible divisions to award 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).
- 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. Divisions improved communication with their employees through a variety of means including face-to-face meetings, emails and newsletter articles.
- Greater clarity about the requirement to meet dollar target allocations for both GPR- and non-GPR funded positions. Campus leadership emphasized this requirement in 2013-14, and CCF dollar targets were exceeded by 41 percent overall for both GPR and non-GPR funding sources combined. This was achieved because divisions supplemented CCF allocations with their own funds.
- 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. Although the range provided the flexibility divisions requested, overall results show that 29 percent of eligible employees, across all employee categories, received CCF awards.
- A requirement that at least 50 percent of the allocated funds be awarded to employees who did not receive CCF awards last year. Almost 84 percent of 2013-14 CCF funds were awarded to employees who did not receive CCF awards in the first round.



- Ability for category A academic staff at or near the salary maximum to receive CCF increases. In the 2013-14 CCF, category A academic staff were eligible to receive a CCF award of up to three percent above their range maximum if their salary was within three percent of the range maximum for their title AND they could not be promoted because of their title (e.g., program manager series) or prefix level (e.g., senior or distinguished). This policy change allowed 81 academic staff to receive full CCF awards that they would not otherwise have been eligible for.
- Review by the Office of Human Resources (OHR) and the Budget Office to ensure divisions were meeting all requirements. OHR and the Budget Office reviewed the CCF awards as they were submitted in order to identify and correct potential problems.



CCF Results

Tables 1 and 2 below summarize the 2013-14 CCF results.

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 percent 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 percent 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.