



# Performance-Based Funding Guidelines

## **Allocation:**

### *Budget Code 102 Employees:*

-Performance based funding will be allocated to the Vice-Chancellor or Cabinet-level Director as budget authority for distribution to the budgetary units within each division.

### *Other Budget Coded Employees:*

-At the discretion of the Vice-Chancellor or Cabinet-level Director, units who have non-102 or revenue-funded positions will be permitted to recommend merit based adjustment for their unit in an equivalent prorated amount of dollars available for Fund 102.

## **Guidance:**

2018 Performance-Based Funding allocated for compensation will be distributed based upon merit in accordance with the HR 14-17-3 [Compensation and Pay Plan Policy \(I. iii.\)](#). Merit adjustments allow for recognition of employees' superior or meritorious performance.

Funding allocated under these guidelines must be specifically available for merit. The total request may not exceed the allocation made to the unit by the Vice Chancellor or Cabinet-level Director.

Performance is measured relative to others within the institution.

Where possible the distribution shall be equitable across units, however the Vice Chancellor or Cabinet-level Director reserves the right to allocate greater amounts to any unit based on the assessment of the merit of the employees housed within.

Upon receiving all requests, the Vice Chancellor or Cabinet-level Director shall allocate the amount approved for each area at their own discretion.

## **Factors that may be considered:**

1. Length of superior performance and regularity with which outstanding contributions are demonstrated
2. Overall significance of employee's work to department, division or university
3. Additional competencies gained determined to be critical and/or specialized in carrying out ongoing functions of the position



4. Other performance factors such as proactively and creatively solving problems resulting in a positive change, seeking opportunities to accomplish additional or transformational goals that result in positive impact, dependability, communication, innovation, etc.

**Exclusions/Ineligibility:**

1. Employees who do not have a performance evaluation on file within the last one-year period
  - a. Supervisors may submit a performance evaluation for any employee who has been in their current position for less than one year in support of the recommendation for merit increase
2. Temporary, non-budgeted employees
3. Adjustments based upon an alternative factor (equity, market, title change, etc.)

**Procedure**

1. Requestor provides two items to the Vice Chancellor or Cabinet-level Director:
  - a. Spreadsheet indicating all ongoing employees in their unit, with an indication of who is recommended for a performance adjustment along with the following additional information items:
    1. Relative length of service of the employee recommended for merit adjustment
    2. The current title of each position
    3. Latest base rate adjustment if applicable
    4. Proposed base rate adjustment amount
  - b. One written plan per unit with a narrative paragraph identifying the following for each employee recommended for adjustment:
    1. Points of emphasis regarding exceptional performance above and beyond assumptions for title
    2. Identification of superior performance related to other performance factors as identified above (dependability, communication, innovation, etc.)
    3. Length of exceptional performance
    4. Information on suggested increase for each employee:
      1. Rationale of increase
      2. Justification for any differential between this employee and other similarly-titled employees within the unit
2. HR performs review of submissions:
  - a. Confirm employees are eligible for a base rate adjustment(i.e. performance evaluation, completion of trainings, employment status)



- b. Review supporting documentation
  - c. Review internal market data to ensure adjustment will not lead to significant inequities
  - d. Confirm adjustment is within the UW System pay range for the title
3. Position Review Committee review:
- a. Does the action of this employee warrant an increase?
  - b. Does the unit have the required allotment of merit funds to satisfy the increase?
  - c. Does the increase create any equity issues within the unit or institutionally?
  - d. Does the request require a greater examination of a factor:
    - 1. Title of individual
    - 2. Position description

Decisions will be made by Position Review Committee with final approval by the Chancellor for overall adjustments.

**Timeline:**

- a. September, 2018 – Cabinet review
- b. September, 2018 – Committee on Workload and Compensation and Strategic Budget Committee review
- c. October 1, 2018 – Announcement to campus through Chancellor’s memo and distribution of guidelines
- d. November 1, 2018 – Deadline for submissions to HR and PRC from Vice Chancellor or Cabinet-level Director
- e. November 1-19, 2018 – HR and PRC review
- f. November 20, 2018 – PRC and Chancellor Final Approval
- g. November 23, 2018 – Memos distributed to recipients
- h. November 20, 2018 – Effective Date for C-Basis Employees
- i. November 25, 2018 – Effective date for bi-weekly University Staff
- j. December 1, 2018 – Effective date for A-Basis Employees