A Proposed Faculty Salary System for the University of Washington

DRAFT

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Introduction

The current UW faculty salary policy, developed in the late 1990s and implemented in 2000, had some notable successes in the mid-2000s. But during the 2008-2009 recession, the weaknesses of the policy became evident. Recognizing the need for a revision of the policy, President Young in March 2012 appointed a joint faculty-administration working group to recommend an improved faculty salary policy. This report is my preliminary summary of the proposal that the working group has been developing. Not all of the details reported here have been formally approved by the working group, and all are subject to change by the working group, the Faculty Council on Faculty Affairs, the Senate Executive Committee, and the Faculty Senate, and won't become final until approved by the Faculty Senate, the full voting faculty, and President Young. But we want to get the basic outline of the proposal into the hands of the faculty as early as possible, so as to stimulate discussion and invite feedback before the proposal becomes firm.

Our proposal is based on four pillars:

1. ***Rank Promotion Raises*** *(12%)*
2. ***Tiers Within Ranks*** *(significant performance-based raises, every four years for average faculty)*
3. ***Market Adjustments*** *(annually to all satisfactorily performing faculty, based on CPI)*
4. ***Variable Adjustments*** *(flexible, approximately 1% per year on average)*

Here are some of the advantages we see for the proposed system:

- It will provide genuine incentives and rewards for excellence throughout a faculty member's career.
- It provides faculty members with more opportunities for advancement, in addition to the two promotions a typical faculty member experiences over the course of a career.
- It will allow the university to rely far less on expensive retention raises.
- It will allow us to replace annual merit reviews by less frequent but more meaningful reviews
- When resources are tight, we can run this new system if necessary with no additional cost; but even in tight financial times, it will "tip the scales" toward continuing faculty raises when priority decisions are being made within the university.
- When more resources are available, it will make it easier for the university to meaningfully reward excellence.
- It will make the university more competitive with our peers.

We welcome feedback on any aspect of the proposal. You can send feedback by email to senate@uw.edu, or you can register it on the Faculty Salary Policy Proposal discussion board at catalyst.uw.edu/gopost/board/senate/35848.

– Jack Lee

Members of the President's Faculty Salary Policy Working Group

Current members:

- Susan Astley (Professor of Epidemiology and Pediatrics)
- Cheryl Cameron (Vice Provost for Academic Personnel)
- Ana Mari Cauce (Provost and Executive Vice President)
- David Eaton (Dean of the Graduate School, Vice Provost)
- Jim Gregory (Professor of History, SCPB chair)
- Paul Hopkins (Professor and Chair, Chemistry)
- Jack Johnson (Chief of Staff, Office of the President)
- Jack Lee* (Professor of Mathematics, Faculty Senate Chair)
- Ruth Mahan (Chief Business Officer, UW Medicine)
- Kate O'Neill (Professor of Law, Faculty Senate Vice-Chair)
- Jan Rutledge (Assoc. Vice Chancellor for Finance and Administration, UW Tacoma)
- Bob Stacey* (Dean of the College of Arts & Sciences)
- Gail Stygall (Professor of English)
- Míċeál Vaughan (Professor and Chair, Comparative Literature)

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Former members:

- Thomas Baillie (Dean, School of Pharmacy)
- Doug Wadden (Executive Vice Provost)
- Marilyn Cox (Vice Chancellor for Administration and Planning, UW Bothell)

The History of the Problem

Faculty salaries at the UW have suffered from two long-standing and interconnected problems: First, there has been a persistent gap between UW faculty salaries and those of our peers; and second, long-serving faculty members have suffered serious salary compression, with salaries growing barely fast enough to keep ahead of newly hired junior faculty. Recognizing the problem, the Faculty Senate leadership and the administration of President Richard McCormick negotiated a new salary policy for the university, which ultimately became part of the University Policy Directory in January 2000. The purpose of the policy was spelled out in the President's Executive Order 64:

> "The fundamental purpose of the University of Washington Faculty Salary Policy is to allow the University to recruit and retain the best faculty."

The 2000 policy was successful for a while in the mid-2000s, when assistant and associate professor salaries moved much closer to those of peers and some improvement was made at the professor level. But when the 2008-2009 recession hit, most of those gains slipped away. Figure 1 shows the average percentage increase required for UW faculty to reach the average of our peers in each year from 2002 to 2012. As this graph makes clear, the gap grew smaller from 2002 to 2008, but almost all of that progress was reversed during the financially stressed years from 2008 to 2013.

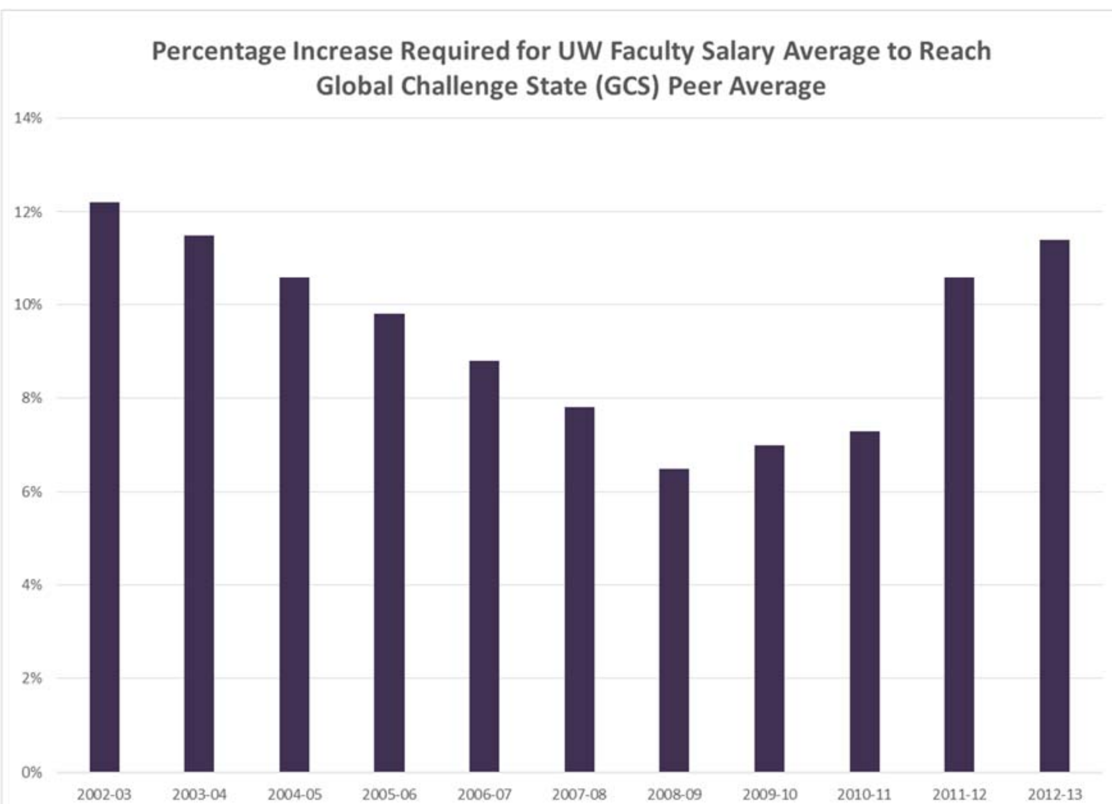

Figure 1: History of the salary gap, 2002-2013

Even more striking than the expanding overall salary gap, however, is what we see when we examine how salaries relate to the time since earning one's terminal degree. Figure 2 is a snapshot of faculty salaries during a recent academic year. The red curve shows the average salaries of UW tenured, tenure-track, and WOT faculty during the 2012-2013 academic year, plotted as a function of years since terminal degree. The green curve is an estimate of the same figures for faculty at our Global Challenge State peer universities.[1]

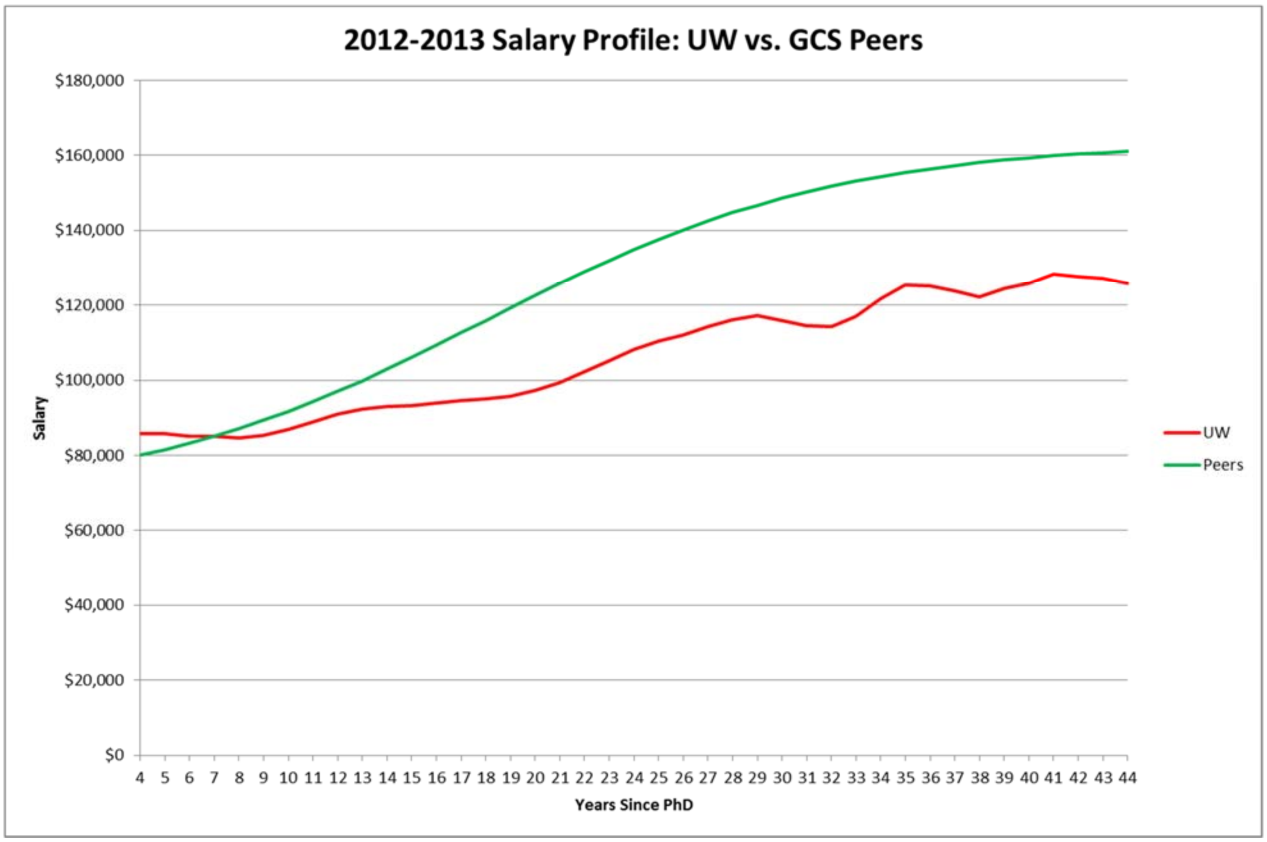

Figure 2: Current UW salary profile vs. peer salary profile

As this graph demonstrates, on average, UW's current entering faculty salaries are closely comparable to (in fact, a little higher than) those of peers, while the gap widens steadily over the course of a faculty member's career. The overall average gap shown in Figure 1 (nearly 12% in 2012-13) is represented by the large area between the two curves. This is the problem of *compression*, which has kept many senior faculty salaries far below those of our peers and barely higher than those of junior faculty members.

[1] The shape of the "Peers" graph in Figure 2 is an estimate, derived from an empirically based salary model developed by W. F. Koehler (*Ideas in Practice: Merit Pay—Equitable Selection of Recipients and Increments*, Engineering Education, vol. 75 no. 4, Jan 1985, pp. 225-30), with parameters chosen to match the reported average assistant professor, associate professor, and professor salaries at GCS peer universities, as well as observed average times in rank. The "UW" graph is a smoothed-out average of all UW full-time tenure/tenure-track and WOT faculty members.

This evidence shows that there really are two interconnected underlying problems. First is a funding problem: The overall amount of money devoted to faculty salaries has not been enough to close the gap with peers. Second is a distribution problem: The broadly available merit raises for continuing faculty (promotion raises, regular merit raises, and additional merit raises under the present system) have barely been enough to keep salaries for meritorious continuing faculty ahead of entering salaries, which for decades before the recent recession had been going up at about 4% per year on average. Thus in large part, the only senior faculty members who end up with salaries commensurate with their accomplishments and competitive with peer salaries at other universities are those who receive retention raises in response to actual or potential outside offers, and those who were hired in at senior ranks. This situation is damaging to faculty morale, and undermines UW's attempts to recruit and retain excellent faculty.

The funding problem is largely a consequence of the worsening underfunding of the university by the state, and no salary policy can fix it. But we believe that a new salary policy can go a long way toward solving the distribution problem.

A Proposal

In order to effectively recruit and retain the best faculty over the long run, a good salary policy must also *motivate* and *reward* excellence:

> "The fundamental purpose of the University of Washington Faculty Salary Policy is to allow the University to recruit, retain, the best faculty."
>
> motivate, and reward

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- It will allow the university to rely far less on expensive retention raises.
- It will allow us to replace annual merit reviews by less frequent but more meaningful reviews.

- When resources are tight, we can run this new system if necessary with no additional cost; but even in tight financial times, it will "tip the scales" toward continuing faculty raises when priority decisions are being made within the university.
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Let's discuss each of the four pillars in turn.

1. Rank Promotion Raises

The most effective provision in the 2000 faculty salary policy was the 7.5% raise that accompanies each promotion in rank. These raises were successful because they were clearly based on excellence, and were large enough to provide significant motivation.

Our proposal is to retain these rank promotion raises, but increase the size of the raises to 12%. This figure is chosen because our models indicate that, together with the other components of the proposal, 12% promotion raises provide a salary progression for excellent faculty members that will be more closely in line with those at our peer institutions. (This is not accounting for inflation; for that, see the *Market Adjustments* and *Variable Adjustments* sections below.)

2. Tiers within Ranks

The most important new feature of our proposal is the creation of a "tier" structure within each faculty rank. The professorial ranks[2] would have the following tiers:

- Assistant Professor 1, 2
- Associate Professor 1, 2, 3
- Professor 1, 2, 3, 4, 5, 6; and 7, 8, 9 (the last three to be known as *Eminent Professor*)

Lecturer ranks would have analogous tiers (and similarly for artist in residence ranks):

- Lecturer 1, 2
- Senior Lecturer 1, 2, 3
- Principal Lecturer 1, 2, 3, 4, 5, 6

Ordinarily, a person first hired as an assistant professor or lecturer would be hired into Tier 1. Similarly, someone promoted to a higher rank, such as associate professor or senior lecturer, would start at Tier 1 of that rank. (A new faculty member hired from outside at a senior rank would be assigned a rank

[2] These tiers for the professorial ranks would apply to faculty members classified as tenure/tenure track, Research, WOT, and Clinical/Dental Pathway, but not to other Clinical faculty, or to Acting, Visiting, Adjunct, or Affiliate faculty. The lecturer and artist in residence tiers would apply to all part-time and full-time faculty members in those ranks who are eligible for multi-year appointments and are employed at least 50% FTE on an academic-year contract.

commensurate with his/her career stage and salary compared to market conditions and to the other members of the unit at the same rank.)

Then, if the faculty member's performance continues to be excellent, he or she would be advanced at intervals to higher tiers within the same rank, and each such advance would come with a significant raise.

The criteria for tier advancement are continued achievement in scholarship and research, teaching, and service, with particular emphasis on accomplishments since the last previous appointment, promotion, or tier advancement. The relative weights of these criteria for each individual faculty member may be adjusted from time to time as described in Section 24-32 of the Faculty Code.

Each tier advancement should come with a substantial raise, and the raise sizes should ideally be chosen so that, discounting inflation, the average faculty salary profile in each department will gradually approach that of peers. (Inflation will be addressed by the market and variable adjustments, discussed below.) Because of the wide variation in market salary conditions across different departments, coming up with an individualized formula for each department would be exceedingly complicated, and keeping those formulas in sync with the market over time would be almost impossible. Thus we are proposing a simple formula that will work well in almost all cases.

Here is our proposed formula for tier advancement raises:

- For individuals earning more than the average UW full professor salary, a tier advancement would come with a raise equal to 8% of that average (based on monthly institutional base salary).
- For those earning less than the UW professor average, a tier advancement would come with a raise equal to 8% of the individual's salary.

Thus with the current average 9-month professor salary of approximately $125,000, faculty on 9-month appointments making more than $125,000 would receive tier raises of 8% x $125,000 = $10,000. For those on other than 9-month appointments, the raise would be prorated appropriately, so for example tier raises for faculty on 12-month appointments making more than $166,666 would be 8% x $166,666 = $13,333. Faculty members earning less than the average professor salary would receive 8% of their actual salary.

The purpose of structuring the tier raises this way is twofold:

- For faculty members nearing the end of their careers, all evidence suggests that the inflation-adjusted peer growth curve levels off somewhat, as can be seen in Figure 1. If all tier raises were 8% throughout one's career, an average faculty member who obtains a tier advancement every four years would experience continued exponential growth relative to new faculty salaries, thus potentially diverting a large portion of the salary pool away from younger faculty; with our proposed formula, the growth curve will more closely approximate that of peers.
- In addition, in the most highly paid fields (typically in professional schools), the pattern at UW and at peer universities has been to hire new assistant professors at very high salaries in order to be competitive, but then the career salary advancement in these departments is typically slower than the average for the rest of the university. The proposed formula will help to ensure

that salaries in these departments remain roughly in line with market conditions and peer salaries.

Although our modeling suggests that the combination of 12% promotion raises and 8% tier raises, as described above, will enable most units to provide career salary growth that is closely in line with those of their appropriate peer groups, we realize that there might be units for which this “one-size-fits-all” formula is out of line with the economic realities of the field, either by lagging behind market rates for the field or by raising salaries too high and too fast relative to peers and thus becoming unaffordable. Thus we propose to allow a dean or chancellor to request authorization to use a different percentage for tier raises in a particular department, school, college, or campus. Such a request would have to be justified by documenting market conditions at peer institutions, and would require approval from the provost after consulting with the school’s elected faculty council and the Senate Committee on Planning and Budgeting.

Tier advancement at the assistant professor rank should coincide with reappointment to a second three-year term. For all other ranks, it is our recommendation that faculty members of average merit should receive tier advancements approximately every four years, until they reach the highest tier for their rank, or Professor 6. Especially high-performing faculty members are expected to receive tier advancements at a faster rate, while others may receive them less frequently. It is the responsibility of deans, chancellors, and the provost to see that each unit follows these guidelines over the long term.

Performance Evaluation Procedure

One of the big advantages of this system for rewarding performance is that it will no longer require every faculty member to receive a collegial merit review every year. The current policy requires every faculty member’s merit to be evaluated each year by the members of the department superior in rank; the size of each merit raise is based on this evaluation. Because these evaluations happen so often and are rewarded with such small raises (if any), it seems that they are frequently seen as futile exercises.

Under the proposed new system, a full collegial performance review would typically be conducted only approximately every four years for most faculty members. In more detail, the evaluation process would occur in three stages:

1. **Data Gathering:** As is currently the case, each faculty member would submit an annual activity report. (This provides evidence on which to base a decision about whether to initiate an early collegial evaluation.) Also, each faculty member who teaches would have his/her teaching evaluated by students every year, and by peers on a schedule determined by rank.
2. **Chair Conference:** The current code requirement for a regular conference with the chair (or dean in an undepartmentalized college) will remain, except that the frequency for full professors will be changed: assistant professors will have a conference every year, associate professors at least every two years, and professors at least every *four* years (with an analogous schedule for the lecturer and artist in residence ranks). The conference will be scheduled sooner if requested by either the chair or the faculty member. Any department, college, school, or campus may adopt policies that call for more frequent conferences.
3. **Collegial Performance Review:** After the chair conference, a Collegial Performance Review will be initiated if requested by either the chair (or dean, if appropriate) or the faculty member, or if it has been five years since the previous such review. (The university’s accrediting body requires

that every faculty member receive a performance review at least once within every five-year period of service.) Any department, college, school, or campus may adopt policies that call for more frequent performance reviews. These reviews are performed by all faculty in the unit of superior rank, or, for professors, of equal rank. Instead of collegial performance reviews leading to differential recommendations for raises, the outcome of such a review will be one of the following recommendations:

- Recommendation for tier advancement
- Initiation of consideration for rank promotion
- Finding of unsatisfactory performance
- Satisfactory, but no tier advancement at the present time

If a tier advancement is recommended, it will take effect if approved by the dean or chancellor (in consultation with the elected faculty council). If consideration for rank promotion is recommended, the procedure in the current code will be followed. If there is a finding of unsatisfactory performance, there will be a mandatory Collegial Performance Review every year until the decision has been altered, during which time the person is not eligible for market or variable adjustments. Two consecutive "unsatisfactory" decisions trigger the actions described in Section 24-55H of the current Faculty Code. If no tier advancement is recommended, it is not necessary to wait any minimum number of years before reconsideration; either the faculty member or the chair may initiate the review process in any subsequent year.

Professor 7

We propose that there should be a higher bar for advancement to professor tier 7, and that faculty members advancing to this tier or higher be entitled to the designation "Eminent Professor." The criteria for advancing to Professor 7 should be exceptional international recognition as a leader in one's field, superb teaching, and exemplary service. Advancement to this tier requires outside letters, as for a promotion in rank. We expect that fewer than half of all full professors will advance to this tier.

3. Market Adjustments

The combination of promotion raises and tier raises every four years on average is designed to provide competitive career salary growth, but only in the absence of inflation. Since inflation is an unavoidable part of life, we are proposing a new component of the salary policy, called *market adjustments*, to mitigate the effects of general market and/or economic escalations.

A market adjustment will consist of equal percentage raises to all faculty members (including those who receive promotion raises or tier advancements), except those whose performance has been designated unsatisfactory in their last performance review. Ordinarily, there should be a market adjustment every year, equal to the percentage increase in an appropriate consumer price index over the preceding calendar year. In times of severe economic stress, market adjustments may be decreased or eliminated as described in the section *In Times of Economic Stress* below.

4. Variable Adjustments

The last component of our proposed new policy is a flexible type of salary adjustment called a *variable adjustment*. (This category was called *peer-equity adjustments* in earlier versions of the proposal.) It is designed to address inappropriate salary differences between peers at the university, campus, school, college, department, or individual level. More specifically, it serves two interconnected purposes.

First, to close the gap between consumer price inflation and academic inflation: Historically, for at least the last 25 years, our peer institutions have increased salaries for all ranks at an average rate approximately 1% per year faster than inflation as measured by the CPI. This is in line with the Higher Education Price Index (HEPI), which is an inflation index designed specifically to measure the cost of goods and services purchased by colleges and universities. If this trend continues, then to avoid falling further behind our peers we will need to increase our overall salary pool by a similar amount each year. (Of course, to close the gap with peers, we will need to do more than that for a while.) There is no way of knowing whether academic inflation will continue to outpace consumer price inflation; but if it does, we should plan over the long term to make up the difference between the CPI and the HEPI with variable adjustments.

Second, to flexibly address inappropriate salary differences within the university: Instead of pegging the variable adjustments to a fixed percentage increase for all faculty members, we propose to allow the adjustments to be used in a flexible way to address inequities throughout the salary system. Here are some typical ways this might occur:

- A college might allocate an across-the-board adjustment to all satisfactorily performing faculty members, or perhaps to be differentially allocated to different ranks.
- A department that has a particularly large "market gap" might be allocated a lump sum to narrow the gap, similarly to the way we use "unit adjustments" under the current code.
- A department can use variable adjustments to correct salary inequities between individual faculty members that are at a similar stature and career stage. For example, if two or more equally accomplished assistant professors are hired by the same department at the same time, but one gets a higher starting salary because she had a high offer from another university, variable adjustments can be used to bring their salaries closer over time.

In order to provide flexibility, we don't propose to put any limits in the Faculty Code on the way variable adjustments are used, except to say that their allocation should be based on each individual's most recent performance evaluation (so that variable adjustments can be made every year even though performance evaluations need not be performed every year), and that there should be transparency and faculty participation in the process for allocating variable adjustments: whenever policies and procedures for distributing variable adjustments are determined, they should be done in consultation with the appropriate faculty bodies (SCPB at the university level; elected faculty council at the level of campuses, schools, or colleges; voting faculty at the department level). Such consultation should always include consideration of detailed financial and salary data.

Retention Raises

We do not propose to put any limits on retention raises. They will still be needed; but if this system works as it should, retention raises (especially pre-emptive ones) should become rare.

Any retention raise should ordinarily be accompanied by one or more tier promotions. For example, an 8% retention raise should come with a tier advancement, and a 16% retention raise should come with a two-tier advancement. (This has the effect of resetting the expected time to the next tier advancement, and potentially limiting the number of future tier advancements.)

Procedures in Times of Severe Economic Stress

In times of severe economic stress, one or more of the above provisions for salary advancement might be reduced or eliminated.

- Because variable adjustments will generally be initiated and funded by colleges, schools, or campuses (or by departments in units where departments control their own budgets, such as the School of Medicine), no special action needs to be taken to reduce or eliminate variable adjustments in a given year.
- Market adjustments may be reduced or eliminated across the university, provided the Provost certifies, after consultation with SCPB, that the default market adjustment would impose extraordinary hardship on the university.
- Tier advancement raises may be delayed. Actual tier advancements recommended by departments would go ahead as usual, but the provost could declare, after consultation with SCPB, that the raises will be delayed. When the financial situation improves, everyone who received a tier advancement during the crisis will receive their raises, but not retroactively.
- Rank promotion raises can be delayed, subject to the same considerations as described for tier advancements above.
- The provost may place limits on retention raises.

Each process of consultation with SCPB should include an opportunity for SCPB to vote on the proposed change, and an opportunity for feedback from the faculty as a whole.

Some Notes on Funding

A natural question to ask is “Can we afford this?” The simple answer is that we have designed the proposal so that it can be run in a cost-neutral way if necessary: If we wish merely to avoid falling further behind peers, the average annual growth in faculty salary costs will be closely comparable to its average annual growth over the past 20 years. But the natural operation of this system should push more of the available salary funds into raises for continuing faculty, and thus make it less likely that funds recaptured from retirements and resignations will be diverted away from the salary system into other uses such as program expansion.

Of course, if we wish to start closing the salary gap between UW averages and peer averages, we will need to put more new funds into the salary system each year for a while (mainly in the form of additional variable adjustments). Note that this additional investment would be required regardless of whether we adopt this new salary system, stay with our old one, or try something entirely different.

Here's more detail about how the proposed system will work financially. Under this proposal, the *new* salary costs each year would come in several forms:

- New entry-level hires
- New senior hires
- Promotion and tier raises
- Market adjustments
- Variable adjustments
- Retention raises

These costs are partially offset by salary funds recaptured from faculty members who retire or resign.

The promotion and tier raises will cost a little less than 2% of the overall salary pool (including benefits) each year. Our modeling indicates that in the early years, almost half of the funding for those raises can be covered by funds recaptured from retirements after accounting for new entry-level hires. (After this system has been in effect long enough to correct most compression problems, nearly all of the cost of the tier and promotion raises can be funded from retirements, at least for tenure/tenure-track faculty.) In addition, this system should result in far less need for retention raises—and most of those that do occur will become part of the tier system.

Thus the costs of this proposed system are the CPI-based market adjustment (currently running around 1.5% of the salary base), a little under 2% to fund tier and promotion raises, and an indeterminate amount for variable adjustments; meanwhile, in the early years, a little under 1% of the salary base will be freed up annually to help with the funding. In summary, the minimum new annual funding required to operate the system in times of restricted resources would be as follows:

1.8%	Cost of tier and promotion raises
1.5%	Market adjustment (current rate of CPI increase)
0%	Variable adjustment
–0.8%	Retirement recapture
2.5%	New permanent funds (1% more than the increase in CPI)

This should be compared to the approximately 4% per year of new funding that's been added annually to the salary system on average for the past 20 to 30 years. (Somewhat more was added during 2002-2008, when there was a concerted attempt to close the gap with peers; and less has been added during the recession years of 2008-2013; but overall it has averaged about 1% more than the CPI increase for a long time.)

This level of funding increase is comparable to what our peers have been adding to their salaries over the same period. Note that this is just about enough to avoid falling behind peer salaries; it will not help us to close the gap.

If we wish to start closing the salary gap between UW averages and peer averages, we will need to invest more new funds into variable adjustments. The following funding level would represent a strategic investment into faculty salaries, designed to close the gap with peers in about six years:

1.8%	Cost of tier and promotion raises
1.5%	Market adjustment (current rate of CPI increase)
2%	Variable adjustment (distributed to departments depending on gaps)
–0.8%	Retirement recapture
4.5%	New permanent funds (3% more than the increase in CPI)

Over the longer term, once our salary profile has stabilized into a less compressed shape, the funds recaptured from retirements should be sufficient to cover virtually all of the costs of tier and promotion raises, so the annual cost increases will be dominated by funding for the market and variable adjustments. If historical trends continue, this should represent an annual increase about the same as that of the Higher Education Price Index, or about 1% faster than the rise in CPI.

The Transition

Because this proposed salary system works so differently from our current system, we will need to undertake a carefully designed transition process before the new system fully takes effect. Here is a proposal for how that transition can work.

Once the new salary policy is enacted, a "Transition Year" should be established, either by the president or in the legislation. The choice will depend on when the legislation gets passed, what the 2015-17 budget looks like, and what the implementation schedule of the HR/Payroll system looks like. The full implementation date of the new policy will be the beginning of fall quarter following the Transition Year.

From the time the legislation is passed until the beginning of the Transition Year, we will operate under the old salary policy with only one exception: promotion raises should immediately jump to 9%, so as to minimize the motivation for faculty members to delay promotions so as to get a higher promotion raise.

During the Transition Year, two assignments will be made for each continuing faculty member: (1) an initial tier, and (2) an initial year for next mandatory tier review. The procedure for making these assignments is designed to be as “automatic” as possible, so as to minimize concerns about fairness.

The Transition Year is also a time for Academic Human Resources, the Payroll Office, campuses, colleges, schools, and departments to work out their procedures for implementing the new policy.

1: Assignment of Initial Tiers

During the Transition Year, each tier-eligible faculty member will be assigned an initial tier, which will become the person’s tier as of the implementation date of the new salary policy. These initial tiers are designed to be, as far as practicable, commensurate with the individual’s career stage, accomplishments, and current salary.

There will be no tier advancements during the Transition Year. The assignment of an initial tier, in itself, has no effect on any individual’s salary.

For continuing Assistant Professors, the initial tier will be 1 or 2, depending on whether the individual is in their first or second three-year appointment.

For all continuing Lecturers and Artists in Residence, the initial tier should be 1. (This does not include Senior Lecturers, Senior Artists in Residence or Principal Lecturers; they are covered by the rules below.)

For all other tier-eligible continuing faculty members, two numbers will be calculated:

1. **A seniority-based tier,** determined by the number of years at current rank (assuming the individual would have achieved tier advancements at the average rate of once every four years).
2. **A salary-based tier,** determined by comparing the individual’s current salary to a table of “expected salaries” (showing what the average salaries at different tiers would be in that unit if the new salary policy had been in effect for a long time), and choosing the tier at the individual’s rank whose salary is closest to the individual’s current salary.

Once the seniority-based and salary-based tiers have been calculated, each individual’s initial tier should be assigned as follows (subject to the exceptions noted below):

- If the two calculated tiers are equal, that becomes the individual's initial tier.
- If the salary-based tier is lower than the seniority-based tier (meaning that the individual's salary is compressed), the individual may choose any initial tier within that range.
- If the salary-based tier is higher than the seniority-based tier, the salary-based tier becomes the individual's initial tier.

The exceptions to this rule are that no Professor should be assigned an initial tier of 7 or higher, and no faculty member (except Assistant Professors) should be required to begin at the highest tier for their rank, or at Professor 6.

2: Assignment of Next Mandatory Reviews and Transition Raises

Because the affordability of the new salary policy depends on no more than approximately 25% of continuing faculty members receiving tier or promotion advancements each year, it is important to establish staggered expected times for collegial performance reviews and tier advancements.

Each tier-eligible faculty member will be assigned a time for next mandatory collegial review. This will also be the expected time for a "typical" faculty member to be considered for a tier advancement. The actual time of next tier advancement for any individual faculty member may be earlier or later than the assigned year; but any consideration for tier advancement earlier than the assigned year should be based primarily on accomplishments within the four years immediately preceding the assigned mandatory review year. For example, for a person assigned a mandatory review year of 2018-19, a tier advancement decision should be based primarily on work done in 2014-2015 and later.

For Assistant Professors, the next mandatory collegial review coincides with the mandatory consideration for renewal or promotion.

For all other tier-eligible faculty members, the next mandatory collegial review year will be calculated based on the year in which the individual was last promoted or hired, using the assumption that reviews happen at the average rate of once every four years. Thus a person who was promoted to Professor in the fall of 2006 would be presumed for this calculation to have been reviewed in 2005-06, 2009-10, and 2013-14, and therefore would be assigned a next mandatory review year of 2017-18.

During the Transition Year, there will be no tier raises and no market adjustments. Instead, each meritorious faculty member should be awarded a *transition raise* to take effect on July 1 before the implementation date of the new policy, based on the date of next mandatory collegial review.

The default plan is as follows: If an individual's next mandatory review date is

- 1 year after the transition year, the transition raise is 2%.
- 2 years after the transition year, the transition raise is 4%.
- 3 years after the transition year, the transition raise is 6%.
- 4 years after the transition year, the transition raise is 8%.

Because some departments might wish to use some of the salary funds available during the Transition Year to address compression or other internal inequities, we propose that a unit may choose, by vote of a majority of its voting faculty, to use an alternative plan that allocates a little less to transition raises, with the difference being treated as a Variable Adjustment as described in the new salary policy.