

## **UNIVERSITY OF WISCONSIN SYSTEM EXECUTIVE SALARY STRUCTURE**

### **BACKGROUND**

In accordance with s. 20.923(4g), Wis. Stats., the Board of Regents has the authority to establish salary ranges for the UW System President and Senior Vice Presidents, all Chancellors, and the Provosts/Vice Chancellors (deputy) at UW-Madison and UW-Milwaukee. At this time the Board does not have the authority to set the ranges for the Provosts/Vice Chancellors (deputy) at the non-doctoral institutions and the UW System Vice Presidents.

The proposed amended Regent Policy Document 6-5 creates a more efficient process of adjusting senior executive salary ranges by directing the adjustment of the ranges biennially and requiring approval by the Board of Regents, typically in December of even-numbered years, for the ensuing biennium. A standard formulaic approach will be used to create a range spread consistent with the formula used for other UW System salary ranges and similar to the range methodology used by the State in its Executive Salary Group range spreads.

### **REQUESTED ACTION**

Approval of Resolution I.2.f.1., adopting the amendments to Regent Policy Document 6-5, Executive Salary Structure.

### **DISCUSSION**

Under current policy, the range minima and maxima for UWS senior executive ranges are 90% and 110%, respectively, of the calculated midpoint based on the adjusted peer median. This algorithm creates too narrow a range, limiting competitiveness with peer institutions and discretion to set salaries appropriate to individual circumstances. The range is also inconsistent with other executive salary ranges in the UW System and state government. In the past, this narrow range required some executive salaries be adjusted because incumbents' salaries fell below the new range minimum when ranges were updated. The amended policy will have range minima and maxima for UWS senior executive ranges at 80% and 120%, respectively, of the calculated midpoint based on the adjusted peer median ranges resulting in a broader range.

The Board of Regents' search for the UW System President is currently underway. In addition, the UW System will soon have a search underway for the Vice President for Finance, and UW-Madison will soon have a search underway for the Provost/Vice Chancellor (deputy). Furthermore, there are currently two interim Provosts/Vice Chancellors (deputy) serving the non-doctoral institutions. There is a need to have market-competitive salary ranges to attract high quality applicants for these key leadership positions.

The proposed policy change directs that the senior executive salary ranges be adjusted biennially using peer salary survey information as per Regent policy 6-5. Ranges will be brought to the full Board of Regents for approval, typically at the December Board meeting in even-numbered years.

While the salary ranges for Provosts/Vice Chancellors (deputy) for the non-doctoral institutions and the UW System Vice Presidents currently require Joint Committee on Employment Relations (JCOER) approval, the Board policy is used to establish ranges that reflect the market and will be used in requesting JCOER approval for these two ranges.

Attachment A shows the current RPD 6-5, with the proposed revisions marked. Attachment B shows the proposed revised RPD 6-5 in final form. For information purposes, attached are the salary ranges for the nine executive salary groups showing what the ranges would be using the existing Regent policy and the recommended change in the Regent policy (Attachment C).

## **RELATED REGENT POLICIES**

Unclassified Personnel Guideline #4

**6-5 EXECUTIVE SALARY STRUCTURE  
(Formerly 94-4)**

**~~Salary Guidelines for University of Wisconsin System Senior Executives~~**

**Scope**

~~This salary policy is intended to reflect the duties and responsibilities borne by University of Wisconsin senior executive positions, the national market for higher education executives, and local Wisconsin conditions. This policy applies to the following senior executive positions with the University of Wisconsin System: System President; System Senior Vice Presidents; System Vice Presidents; Chancellors and Provosts/Vice Chancellors (deputy).~~

~~Provosts or Vice Chancellors for Academic Affairs at the University of Wisconsin Institutions; and the University of Wisconsin System President, Senior Vice Presidents, and Vice Presidents.~~

**Purpose**

~~The purpose of this policy is to provide the framework used by the UW System Board of Regents to determine the salary ranges for senior executive positions and the process for setting and approving the salaries of senior executives.~~

**Policy Statement-**

**I. Establishment of Ssalary Rranges for University of Wisconsin System senior executive positions**

~~Salary ranges for the senior executive positions will be based on an analysis of salary paid by peer institutions for similar positions at comparable universities in other states. To reflect the national higher education market, peer salary data will be utilized. The~~

~~The following peer groups, identified by the 1984 Governor's Faculty Compensation Study Commission, faculty peer groups will be utilized as the salary peer groups for the shall be used to determine the salary range for Chancellor and Provosts/Vice Chancellors (deputy)- positions:~~

~~UW-Madison; University of California-Berkeley; University of California-Los Angeles; University of Michigan-Ann Arbor; University of Texas-Austin; Ohio State University; Purdue University; University of Illinois-Urbana; University of Minnesota-Twin Cities; Indiana University-Bloomington; Michigan State University; University of Washington-Seattle.~~

UW-Milwaukee; Rutgers University-Newark; State University of New York-Buffalo; University of Cincinnati; Georgia State University; University of Texas-Dallas; University of Illinois-Chicago; Wayne State University; Cleveland State University; University of Toledo; University of Akron; Temple University; University of Louisville; University of Missouri-Kansas City; University of New Orleans.

All Other UW Institutions: Eastern Illinois University; Western Illinois University; Northeastern Illinois University; Chicago State University; Southern Illinois University-Edwardsville; University of Illinois-Springfield; Indiana University-Northwest; Indiana University-South Bend; Indiana University-Purdue University-Fort Wayne; University of Southern Indiana; Indiana University-Southeast; Purdue University-Calumet; University of Northern Iowa; Central Michigan University; Eastern Michigan University; Ferris State University; Grand Valley State University; Michigan Technological University; Northern Michigan University; Oakland University; Western Michigan University; Saginaw Valley State University; University of Michigan-Dearborn; University of Michigan-Flint; Bemidji State University; Minnesota State University-Mankato; Minnesota State University-Moorhead; St. Cloud State University; Winona State University; University of Minnesota-Duluth; University of Akron; Wright State University; Youngstown State University.

In addition, UW Chancellors have the authority to establish institution-specific peer groups if ~~the~~ established ~~1984~~ peer groups do not completely address institutional needs. However, peer groups for the purpose of setting ranges for senior executive positions covered by this policy must be either those indicated in this policy or, if different, approved by the UW System President.

The following university systems, at the University of Wisconsin Institutions. For the University of Wisconsin System President, Senior Vice President and Vice President positions the salary peer group will be the following university systems, which are similar in size and composition, shall be used to determine the salary ranges for the System President, Senior Vice President and Vice President positions: ~~to the University of Wisconsin System:~~ University of California, California State University System, State University of New York, City University of New York, University of North Carolina System, University of Florida System, University of Maryland System, and the University of Texas System.

Because the cost of living is relatively lower in Wisconsin than many other states, the ~~The~~ midpoint of ~~each the~~ salary range will be set at 95% of the peer median salary to reflect the lower cost-of-living for Wisconsin as compared to other states. ~~as an approximation of the regional cost-of-living differential for Wisconsin.~~ The salary range will be ~~90-110%~~ 80% to 120% of the salary range midpoint as defined above and effective July 1 of the ensuing biennium.

After review of peer salary survey information, salary ranges shall be adopted for the ensuing biennium ~~fiscal year~~ by resolution of a majority of the full membership of the Board of Regents in open session by roll call vote at a regularly scheduled meeting.

These salary ranges do not guarantee individual salary rates. Individual salaries for University of Wisconsin System senior executives are based on numerous considerations at the time of hire and thereafter, performance.

## **II. Authority to Approve Salaries Procedures for Board of Regents approval of salaries of University of Wisconsin System Senior Executives.**

Wis. Stat. § 36.09(e) directs the Board of Regents to fix the salaries of each Chancellor. The starting salary for the System President and Chancellors must be approved by the Board of Regents at the time of hire. The System President shall set the starting salary for an interim Chancellor appointment after consultation with the Board of Regents President and Vice President; Board approval is required for interim appointments only when the salary is outside the established salary range approved by the Board of Regents.

The Board delegates to the System President the authority to set and approve the starting salary for newly hired Provosts/Vice Chancellors (deputy), Senior Vice Presidents, and Vice Presidents, provided the starting salary is within the salary range approved by the Board of Regents and not above 75% of the System President's salary ( RPD 6-3). The System President further delegates the authority to set and approve new and interim Provosts/Vice Chancellors (deputy) salaries to UW Chancellors, provided the salaries are within the ranges approved by the Board of Regents and not above 75% of the System President's salary (RPD 6-3).

Salary increases for the UW System President and continuing Chancellors will be awarded in conformance with the approved pay plan and approved by the Board of Regents when salary increases are considered for all other UW System employees. At any other time, the Board of Regents may authorize salary increases to correct a salary inequity or recognize competitive factors as allowed by state statutes.

Salary increases for continuing Senior Vice Presidents, Vice Presidents and Provosts/Vice Chancellors (deputy) will be executives, salary increases awarded in conformance with the approved pay plan and approved by the System President unless the salary is above 75% of the System President's salary (RPD 6-3). The System President further delegates to the UW Chancellors the authority to approve Provosts/Vice Chancellors' (deputy) pay plan and base adjustments within the ranges approved by the Board of Regents and not above 75% of the System President's salary (RPD 6-3).

under Wis. Stats. § 230.12(3)(e) are considered and approved by the Board of Regents once a year, at the same time as salary increases are considered for all other University of Wisconsin unclassified employees. At any other time throughout the year, the Board may authorize salary increases to correct a salary inequity or to recognize competitive factors as allowed by law.

For newly hired Chancellors, the Board approves the starting salary at the time of hire. For newly hired Vice Chancellors and Provosts, Senior Vice Presidents and Vice Presidents, the Board delegates to the University of Wisconsin President the authority to set starting salaries within the

~~approved salary range approved by the authorization to recruit. The President further delegates to the UW Chancellors the authority to approve new and interim Vice Chancellors/Provosts salaries that fall within the range approved by the Board policy.~~

In addition, the Board delegates to the University of Wisconsin [System](#) President the authority and discretion to make a base adjustment up to a specified level within six to nine months of the date of hire for the other senior executives. Exercise of the base salary increase is at the President's discretion based on the performance of the individual in his/her new position. This discretion provides the opportunity to reward outstanding performance during the initial period of employment.

### **Oversight, Roles & Responsibilities**

On behalf of the University of Wisconsin [System](#) President, the UW System Office of Human Resources and Workforce Diversity is responsible for biennially surveying and analyzing data from the established peer institutions and systems used to determine salary ranges for senior executive positions.

### **Related RPD and Applicable Laws**

[Regent Policy Document 6-3](#)

[Regent Policy Document 6-4](#)

History: Res. 5357 adopted 11/10/89 (Policy 89-7), rescinded and replaced with Res. 6664 5/94, amended by Res. 8736, 10/10/03, amended by Res. 9950, 7/15/11.

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**6-5 Executive Salary Structure  
(Formerly 94-4)**

**Scope**

This policy applies to the following senior executive positions within the University of Wisconsin System:

- System President;
- System Senior Vice Presidents;
- System Vice Presidents;
- Chancellors; and
- Provosts/Vice Chancellors (deputy).

**Purpose**

The purpose of this policy is to provide the framework used by the UW System Board of Regents to determine the salary ranges for senior executive positions and the process for setting and approving the salaries of senior executives.

**Policy Statement**

I. Establishment of Salary Ranges

Salary ranges for senior executive positions will be based on an analysis of salaries paid by peer institutions for similar positions at comparable universities in other states.

The following peer groups, identified by the 1984 Governor's Faculty Compensation Study Commission, shall be used to determine the salary ranges for Chancellor and Provosts/Vice Chancellors (deputy) positions:

UW-Madison: University of California-Berkeley; University of California-Los Angeles; University of Michigan-Ann Arbor; University of Texas-Austin; Ohio State University; Purdue University; University of Illinois-Urbana; University of Minnesota-Twin Cities; Indiana University-Bloomington; Michigan State University; University of Washington-Seattle.

UW-Milwaukee: Rutgers University-Newark; State University of New York-Buffalo; University of Cincinnati; Georgia State University; University of Texas-Dallas; University of Illinois-Chicago; Wayne State University; Cleveland State University; University of Toledo; University of Akron; Temple University; University of Louisville; University of Missouri-Kansas City; University of New Orleans.

All Other UW Institutions: Eastern Illinois University; Western Illinois University; Northeastern Illinois University; Chicago State University; Southern Illinois University-Edwardsville; University of Illinois-Springfield; Indiana University-Northwest; Indiana University-South Bend; Indiana University-Purdue University-Fort Wayne; University of Southern Indiana; Indiana University-Southeast; Purdue University-Calumet; University of Northern Iowa; Central Michigan University; Eastern Michigan University; Ferris State University; Grand Valley State University; Michigan Technological University; Northern Michigan University; Oakland University; Western Michigan University; Saginaw Valley State University; University of Michigan-Dearborn; University of Michigan-Flint; Bemidji State University; Minnesota State University-Mankato; Minnesota State University-Moorhead; St. Cloud State University; Winona State University; University of Minnesota-Duluth; University of Akron; Wright State University; Youngstown State University.

In addition, UW Chancellors have the authority to establish institution-specific peer groups if established peer groups do not completely address institutional needs. However, peer groups for the purpose of setting ranges for senior executive positions covered by this policy must be either those indicated in this policy or, if different, approved by the UW System President.

The following university systems, which are similar in size and composition, shall be used to determine the salary ranges for the System President, Senior Vice President, and Vice President positions: University of California, California State University System, State University of New York, City University of New York, University of North Carolina System, University of Florida System, University of Maryland System, and the University of Texas System.

The mid-point of each salary range will be set at 95% of the peer median salary to reflect the lower cost-of-living for Wisconsin as compared to other states. The salary range will be 80% to 120% of the salary range midpoint as defined above and effective July 1 of the ensuing biennium.

After review of peer salary survey information, salary ranges shall be adopted for the ensuing biennium by resolution of a majority of the full membership of the Board of Regents in open session by roll call vote at a regularly scheduled meeting.

These salary ranges do not guarantee individual salary rates. Individual salaries for University of Wisconsin System senior executives are based on numerous considerations at the time of hire and thereafter.

## II. Authority to Approve Salaries

Wis. Stat. § 36.09(e) directs the Board of Regents to fix the salaries of each Chancellor. The starting salary for the System President and Chancellors must be approved by the Board of Regents at the time of hire. The System President shall set the starting salary for an interim Chancellor appointment, after consultation with the Board of Regents President and Vice President; Board approval is required for interim appointments only when the salary is outside the established salary range approved by the Board of Regents.



The Board delegates to the System President the authority to set and approve the starting salary for newly hired Provosts/Vice Chancellors (deputy), Senior Vice Presidents, and Vice Presidents, provided the starting salary is within the salary range approved by the Board of Regents and not above 75% of the System President's salary ( RPD 6-3). The System President further delegates the authority to set and approve new and interim Provosts/Vice Chancellors (deputy) salaries to UW Chancellors, provided the salaries are within the ranges approved by the Board of Regents and not above 75% of the System President's salary (RPD 6-3).

Salary increases for the UW System President and continuing Chancellors will be awarded in conformance with the approved pay plan and approved by the Board of Regents when salary increases are considered for all other UW System employees. At any other time, the Board of Regents may authorize salary increases to correct a salary inequity or recognize competitive factors as allowed by state statutes.

Salary increases for continuing Senior Vice Presidents, Vice Presidents and Provosts/Vice Chancellors (deputy) will be awarded in conformance with the approved pay plan and approved by the System President unless the salary is above 75% of the System President's salary (RPD 6-3). The System President further delegates to the UW Chancellors the authority to approve Provosts/Vice Chancellors' (deputy) pay plan and base adjustments within the ranges approved by the Board of Regents and not above 75% of the System President's salary (RPD 6-3).

In addition, the Board delegates to the University of Wisconsin System President the authority and discretion to make a base adjustment up to a specified level within six to nine months of the date of hire for the other senior executives. Exercise of the base salary increase is at the President's discretion based on the performance of the individual in his/her new position. This discretion provides the opportunity to reward outstanding performance during the initial period of employment.

### **Oversight, Roles & Responsibilities**

On behalf of the University of Wisconsin System President, the UW System Office of Human Resources and Workforce Diversity is responsible for biennially surveying and analyzing data from the established peer institutions and systems used to determine salary ranges for senior executive positions.

### **Related RPD and Applicable Laws**

Regent Policy Document 6-3  
Regent Policy Document 6-4

### **History**

History: Res. 5357 adopted 11/10/89 (Policy 89-7), rescinded and replaced with Res. 6664 5/94, amended by Res. 8736, 10/10/03, amended by Res. 9950, 07/15/11.

**EXECUTIVE SALARY RANGES**  
**Current 90% - 110% BOR Policy vs. Proposed 80% - 120% BOR Policy**

**UW-Madison Chancellor**

	Approved Range	CURRENT BOR Policy	PROPOSED BOR Policy
<b>2012-13 Peer Median*</b> \$512,500	Minimum	\$427,500	\$389,500
<b>Adjusted Peer Median (95%)</b> \$486,875	Midpoint	\$475,000	\$486,875
	Maximum	\$522,500	\$584,250

(Current range approved 12/7/12 effective 7/1/13)

**UW-Madison Provost/Vice Chancellor (deputy)**

	Approved Range	CURRENT BOR Policy	PROPOSED BOR Policy
<b>2012-13 Peer Median*</b> \$388,644	Minimum	\$238,468	\$295,369
<b>Adjusted Peer Median (95%)</b> \$369,212	Midpoint	\$264,965	\$369,212
	Maximum	\$291,461	\$443,054

(Current range approved 2/10/06 effective 7/1/06)

\* Data source: Peer salary information from 2013 CUPA Administrative Compensation Survey

**EXECUTIVE SALARY RANGES**

**Current 90% - 110% BOR Policy vs. Proposed 80% - 120% BOR Policy**

**UW-Milwaukee Chancellor**

**2012-13 Peer Median\***

\$400,000

**Adjusted Peer Median (95%)**

\$380,000

	Approved Range	CURRENT BOR Policy	PROPOSED BOR Policy
Minimum	\$297,183	\$342,000	\$304,000
Midpoint	\$330,203	\$380,000	\$380,000
Maximum	\$363,223	\$418,000	\$456,000

(Current range approved 2/8/08 effective 7/1/08)

**UW-Milwaukee Provost/Vice Chancellor (deputy)**

**2012-13 Peer Median\***

\$316,839

**Adjusted Peer Median (95%)**

\$300,997

	Approved Range	CURRENT BOR Policy	PROPOSED BOR Policy
Minimum	\$259,578	\$270,897	\$240,798
Midpoint	\$288,420	\$300,997	\$300,997
Maximum	\$317,262	\$331,097	\$361,196

(Current range approved 2/10/12 effective 7/1/12)

\* Data source: Peer salary information from 2013 CUPA Administrative Compensation Survey

**EXECUTIVE SALARY RANGES****Current 90% - 110% BOR Policy vs. Proposed 80% - 120% BOR Policy****Non-Doctoral Chancellors****2012-13 Peer Median\***

\$269,798

**Adjusted Peer Median (95%)**

\$256,308

	Approved Range	CURRENT BOR Policy	PROPOSED BOR Policy
Minimum	\$213,754	\$230,677	\$205,046
Midpoint	\$237,504	\$256,308	\$256,308
Maximum	\$261,254	\$281,939	\$307,570

(Current range approved 12/7/12 effective 7/1/13)

**Non-Doctoral Provosts/Vice Chancellors (deputy)****2012-13 Peer Median\***

\$191,312

**Adjusted Peer Median (95%)**

\$181,746

	Approved OSER Range	CURRENT BOR Policy	PROPOSED BOR Policy
Minimum	\$129,296	\$163,572	\$145,397
Midpoint	\$146,752	\$181,746	\$181,746
Maximum	\$164,207	\$199,921	\$218,096

(Current range approved 6/25/13 effective 7/1/13. The range was increased by JCOER to reflect the state approved pay plan but was not adjusted to reflect current market factors.)

The Board of Regents does not have authority to establish this range but is shown for information purposes.

\* Data source: Peer salary information from 2013 CUPA Administrative Compensation Survey

**EXECUTIVE SALARY RANGES**  
**Current 90% - 110% BOR Policy vs. Proposed 80% - 120% BOR Policy**

**UW System President**

**2012-13 Peer Median\***

\$525,000

**Adjusted Peer Median (95%)**

\$498,750

	Approved Range	CURRENT BOR Policy	PROPOSED BOR Policy
Minimum	\$360,126	\$448,875	\$399,000
Midpoint	\$400,140	\$498,750	\$498,750
Maximum	\$440,154	\$548,625	\$598,500

(Current range approved 2/8/08 effective 7/1/08)

**UW System Senior Vice Presidents**

**2012-13 Peer Median\***

\$267,705

**Adjusted Peer Median (95%)**

\$254,320

	Approved Range	CURRENT BOR Policy	PROPOSED BOR Policy
Minimum	\$211,230	\$228,888	\$203,456
Midpoint	\$234,700	\$254,320	\$254,320
Maximum	\$258,170	\$279,752	\$305,184

(Current range approved 2/10/06 effective 7/1/06)

**UW System Vice President for Finance**

**2012-2013 Peer Median\***

\$231,910

**Adjusted Peer Median (95%)**

\$220,315

	Approved OSER Range	CURRENT BOR Policy	PROPOSED BOR Policy
Minimum	\$151,303	\$198,283	\$176,252
Midpoint	\$168,114	\$220,315	\$220,315
Maximum	\$184,924	\$242,346	\$264,377

(Current range approved 6/25/13 effective 7/1/13. (The range was increased by JCOER to reflect the state approved pay plan but was not adjusted to reflect current market factors.)

The Board of Regents does not have authority to establish this range but is shown for information purposes.

\* Data source: Peer salary information from 2013 CUPA Administrative Compensation Survey

## Approval of Salary Ranges for Senior Executives

### BUSINESS AND FINANCE COMMITTEE

Resolution I.2.f.2.:

WHEREAS, pursuant to s. 20.923(4g), Wis. Stats., the Board of Regents has the authority to set salary ranges for specified UW System senior academic leaders, and

WHEREAS, pursuant to Regent Policy Document 6-5, amended October 11, 2013, salary ranges should be brought into compliance with Regent policy on a biennial basis,

NOW, THEREFORE, BE IT RESOLVED

That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents adopts the attached salary ranges for senior executives for the 2013-15 biennium.