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TO: Colleagues

FROM: Michael J. Hogan
Executive Vice President and Provost

DATE: November 23, 2005

RE: 2005-2006 Salary Policy

Faculty members who have been at The University of Iowa for some time know that it has been several years since we had the resources to adequately recognize merit in faculty salaries. Our salary competitiveness has slipped precipitously. Now, we are in the midst of the first year of the Board of Regents' mandated *Partnership Plan for Transformation and Excellence*, which envisions a concerted effort over four years to restore our salary competitiveness. Linked below are two documents that outline the salary policy and process, as given to the collegiate deans thus far, that we have established to help us meet the goals of the Transformation Plan.

As you can see, on July 1, 2005, a 3.0% salary increment was allocated to the collegiate deans to deploy strategically across their faculties. Some colleges were able to do a bit more for their faculty members by reallocating funds internally. As usual, annual increments were to be used to deal with market pressures (to counter outside offers, as appropriate) and to provide merit raises, equity adjustments, and promotion increments. We found by surveying our peers that the raises faculty members received in July were probably just enough to keep our average salaries from dropping further as compared to our peers. Our goal, of course, is to move up among our peers. In August, therefore, we received approval from the Board of Regents to proceed with an additional mid-year (January 2006) salary increase for selected faculty. This mid-year increment will bring the average salary increase this year to at least 5.0%. We have asked the collegiate deans to work with us and with their units to identify meritorious faculty who have been severely undercompensated in recent years and to use the mid-year salary increase to begin to address that undercompensation.

These are only first steps in a four-year plan to enhance faculty salaries. In the future, we hope to avoid mid-year adjustments and return to single annual raises that enable colleges and units to be as agile as possible in responding to market demands and rewarding meritorious faculty. After several years with limited resources available for merit increments, it is clear that we have a degree of accumulated merit—merit that has not been sufficiently compensated for several years—that cannot be corrected in the first year of this four-year process.

It has fallen to our deans—and, in the larger colleges, department chairs—to take the guidance provided in documents linked below, and make the difficult decision about how to apply it strategically. In a sense, we are asking them to prioritize the backlog of undercompensated merit in their units. I would be very surprised if all deans and chairs set the same priorities, since pressures differ so greatly among units. Some will address the needs of young scholars who hold the future of the unit in their hands. Others will concentrate on senior faculty whose salaries may be the most out of line with the market, or fend off external offers for the most productive and competitive faculty in their units. Yet others will confront different, but equally

urgent needs. There is a very challenging assignment, and I will ask them to share their thinking with colleagues so that all understand how the process works, not only this year but over the rest of the years of the Transformation Plan. In turn, I ask all of you to be sensitive to the difficult choices our chairs and deans must make. Please remember that while some individuals or groups must come before others at any one point, our ultimate goal over the next four years is to address the substantial backlog of undercompensated merit that has built up over the last several years.

May 25, 2005 Salary Memo: <http://www.uiowa.edu/hr/salary.html>

August 9, 2005 Draft Memo to Collegiate Deans: <http://www.uiowa.edu/~provost/docs/midyeardeans.htm>