



UNIVERSITY OF WISCONSIN TITLE AND TOTAL COMPENSATION STUDY DRAFT RFP BUSINESS REQUIREMENTS BACKGROUND, SCOPE AND OBJECTIVES

1.2.1. Background

The University of Wisconsin System (“UW”) is seeking proposals for professional consulting services for a comprehensive review and redesign of its current job title/classification and compensation/benefits system. A study of this kind has not been conducted in at least 30 years.

The University of Wisconsin System

UW provides education to 178,500 students (154,565 undergraduate and 23,935 graduate students), and employs more than 40,000 faculty and staff (including graduate assistants) on 26 institutions, including the flagship University of Wisconsin-Madison. The 26 institutions include two research 1 institutions, 11 four-year comprehensive universities and 13 freshman-sophomore institutions. The system also includes the statewide UW Extension and UW System Administration. The total UW budget is about \$6 billion, with payroll expenses of more than \$2 billion. All UW employees are also state employees.

UW is governed by a Board of Regents that consists of 18 members, 16 of whom are appointed by the Governor, subject to confirmation by the Wisconsin Senate. Of these 16 members, 14 serve staggered, seven-year terms and two are ex officio members (State Superintendent of Public Instruction and president or a designee of the Wisconsin Technical College System Board). Two UW students serve for two-year terms; one of the two is a non-traditional student.

The Board establishes policies and rules for governing UW, planning to meet future state needs for collegiate education, setting admission standards and policies, reviewing and approving university budgets, and establishing the regulatory framework for individual institutions, who operate with as much autonomy as possible. The Board appoints the UW President and the chancellors of the universities and UW Colleges & UW-Extension. The Board also grants tenure appointments to faculty members.

In addition to its relatively large number of institutions with varying missions and sizes, UW has other unique characteristics:

- A key aspect of the UW mission is the “Wisconsin Idea.” That is, the work that we do at our institutions should benefit the citizens of Wisconsin, our nation and the world. The Wisconsin Idea is cherished across UW and has helped create a strong sense of loyalty among faculty and staff.
- UW also has a strong shared governance system that is enshrined in Board of Regents policy. Faculty, academic staff, university staff (see below for definitions) and students have the right to advise leadership on important policies, including compensation strategies.

- Some activities and operations across UW (including HR) are highly decentralized, particularly at UW-Madison. This means that the consultant's solutions will need to be flexible enough to be adapted to different institution strategies, approaches, organizational structures and cultures.

It is also important to note the UW System is facing significant budget challenges. Specifically, for the biennium that began on July 1, 2015, UW funding from the state of Wisconsin was reduced by \$125 million for each year of the biennium (from July 1, 2013 through June 30, 2017). This was accompanied by a four-year tuition freeze,

UW has five broad categories of employees that will be covered by the work outlined in this RFP – faculty, limited staff, academic staff, university staff and student assistants.

- Faculty (total of 6,400 faculty members) are professors, associate professors, assistant professors or instructors in an academic department or its functional equivalent (e.g., research institute).
- Limited employees (1,500) are generally senior-level employees (e.g., UW president and vice presidents; institutional chancellors, provosts, vice chancellors, deans, and directors of administrative units) who serve at will.
- Academic staff (16,000) are employees in non-faculty positions that perform work that is generally exempt from the Fair Labor Standards Act (FLSA) and typically support research (e.g., research specialist and research scientist), student services (e.g., student services coordinator and student advisor), as well as a wide range of administrative positions. This category consists of instructional positions (5,600 employees) as well as non-instructional positions (10,400).
- University staff (13,000) are employed in positions that perform work that is generally non-exempt from the FLSA, in occupations such as administrative support, custodial services, food service and technical services.
- Student assistants (7,100) include graduate, teaching, research, program and project assistants (this RFP covers compensation only for this category of employee).

There are also two other employee categories (student hourly employees; and employees-in-training, including post-degree trainees, fellows, etc.). Neither of these employee groups will be included in this study.

New UW Human Resources Structure

As of July 1, 2015, the Wisconsin legislature granted UW the authority to implement two new human resources structures separate from state government. This new legislative authority enabled UW-Madison to create its own HR system and the additional UWS institutions to create a separate set of HR policies and practices. Before July 1, 2015, many of UW's job title and compensation policies/practices were governed by state laws and regulations.

This new statutory authority has provided an unprecedented opportunity to design job title and compensation systems specifically tailored to the needs of higher education. While both UW-Madison and the additional UWS institutions implemented a series of new HR policies and practices on July 1, we have not yet made major changes to the job title and compensation systems, in anticipation of this study.

Although UW-Madison and the additional UWS institutions have separate HR structures, we will conduct a joint study to ensure that there continues to be basic integration between the two structures.

This study's results must consider and reflect 1) the unique needs of UW-Madison, which has 42,000 students and 15,000 employees, and is ranked as one of the world's top 25 research institutions and 2) the wide range of missions and sizes of the institutions that comprise the additional UWS Institutions.

Current Job Title/Classification and Compensation System

The existing UW job titling and compensation structures are a combination of two personnel structures (state government "classified" civil service and the UW "unclassified" service). The structures for classified employees (now called "university staff" in the UW System) evolved over many years through collective bargaining and state-led personnel management surveys. As a result, the current structure is not tailored to higher-education institutions.

The current unclassified structures (for faculty, academic, staff and limited employees) were implemented as a result of a 1986 study mandated by the state legislature. Thirty years later, the current job title and compensation structure require a major redesign.

On July 1, 2015, the classified and unclassified structures, with some modifications, were merged across all UW institutions. This new structure is a short-term solution, and there are still major aspects that do not work well to attract and retain talent in the environment of higher education.

A key strategic goal of these new personnel structures was to place all FLSA-exempt positions (i.e., exempt based on the FLSA duties test) in academic staff/limited appointments, and all non-exempt positions in university staff appointments. Although many exempt staff remain in university staff positions (to preserve their existing benefits), UW is now filling all exempt vacancies as academic staff positions. The study scope will include reviewing position duties to determine whether they meet the FLSA duties test for exemption from the FLSA.

Compensation is set for faculty, and academic staff in some instructional and research positions, based on pay minimums, but there are no maximums for these positions.

Limited and academic staff are compensated based on pay ranges that generally have both salary minima and maxima. However, if market data show the need to go above a maximum, an "extraordinary salary range" can be established that exceeds the salary range maximum. In addition, many academic staff titles are in promotional series – "associate," "no-prefix" (i.e., journey), "senior" and "distinguished" – which allows employees to advance and increase their salaries.

Many university staff titles were established as a result of collective bargaining and were, in many cases, not (and currently are not) directly correlated to market or internal job worth/value. The ranges are broad banded with salary minimums and maximums. In many of these positions, employees can move to the next higher title in the series through reclassification (i.e., evolution of job responsibilities and independence).

One of the challenges UW faces with the current titling structure is the inability to do an accurate market analysis for many positions. In large part, this is because specific titles (e.g., administrative program specialist) encompass many types of positions, making it very difficult to determine market matches. As a result, UW has a set of highly individualized position descriptions. This creates an administrative burden to maintain and update these descriptions and also makes it difficult to compare roles and responsibilities across sets of similar employees (let alone do market comparisons).

Through this study, UW plans to create clearer career-progression opportunities for its staff, enabling us to use standardized competencies as part of performance management and succession planning, and allowing leadership to more effectively manage compensation and benefits.

Employee Benefits

Key benefits, including health insurance, retirement and disability insurance, are administered by Wisconsin state government. These benefits are the same across employment categories (faculty, limited appointees, academic staff and university staff) and are not within scope of this review.

However, UW employees have two different sick and vacation leave programs – one for faculty, academic staff and limited employees; and a separate system for university staff. Therefore, leave benefits, including sick, vacation, and parental leave, are within the scope of work covered in this RFP. The selected consultant will also be asked to identify and recommend other leading-practice benefits/work-life programs.

1.2.2. Scope

The work identified in this RFP covers three areas:

- Job titles/classifications, compensation structures, and related labor market data for all staff except faculty (compensation only for student assistants);
- Employee benefits/work-life structures (except state-administered programs that include retirement and health insurance -- see 4.b. below) for faculty and all staff, including work/life programs; and
- Employee-leave programs for faculty and all staff.

Student employees paid on an hourly basis, and post-degree trainees, will not be included.

UW envisions five phases for this work, as listed below. We will conduct the study using a combination of UW and consultant resources, also as shown below. The consultant will be required to submit progress and summary reports, as agreed with UW.

1. Design study strategy
 - a. Develop strategy that identifies all study methods, components, milestones and timelines**
 - b. Define and confirm compensation philosophy***
2. Assess positions and develop new job title structure
 - a. Collect and review information about UW jobs using standard formats (e.g., review position descriptions, administer questionnaires to employees, conduct interviews/focus groups)***
 - b. Review existing job titles to assess accuracy and consistency across campus*
 - c. Review position duties to determine whether they meet the FLSA duties test to be exempt from the FLSA***
 - d. Define job family structures to identify career paths and enable comparisons of similar jobs***
 - e. Create new job title structures and individual titles based on job families, higher-education titling practices and competencies**

3. Create compensation structure
 - a. Obtain labor market data (local, regional, national) for university job families and positions**
 - b. Create market-informed compensation structures to allow institutions to successfully compete for, and retain, talent**
 - c. Integrate compensation system with new title structure and resolve any issues (e.g., where employees are placed in the new structure)***
 - d. Define pay guidelines for managing compensation in the new structure***
 - e. Institutions may develop strategies (i.e. priorities) to address compensation issues as permitted within state statutes*
 - f. Define how compensation structure will be updated and maintained**
4. Review benefits/work-life and leave structures
 - a. Review and catalogue current benefits and leave programs/structures**
 - b. Identify widely used and leading-practice benefits/work-life strategies (i.e., in higher education)**

Note: UW employees will continue to be covered by the following state-administered benefits programs which will not be part of this study: Wisconsin Retirement System, state group health insurance, income continuation insurance and state group life insurance
5. Implement new structures
 - a. Develop steps and timeline for implementation of new title/compensation and benefits system***
 - b. Implement new titling/compensation and benefit policies and structures*
 - c. Create and implement resolution mechanism for resolving employee disagreements*
 - d. Train central and distributed HR staff to maintain new system**
6. Conduct two follow-up reviews -- two years and four years after implementation -- to review and recalibrate the structures**

* UW resources

** Consultant resource

***Both UW and consultant resources

UW seeks a collaborative consulting relationship in which project staff from both UW-Madison and the additional UWS Institutions work with the consultant to design, refine and implement the new job title and compensation systems. We hope to work with a consultant who recognizes the unique qualities of UW, including UW-Madison, and defines a solution to fit our needs, rather than implementing a pre-designed, non-customized solution. We seek to work with a consultant with a proven track record in designing and implementing job title and compensation systems in similar higher-education institutions.

The consultant will interact with the project teams (UWS Institutions and UW-Madison separately) as well as an Advisory Council consisting of representatives from key stakeholder groups and co-chaired by the UW-Milwaukee Chancellor and the UW-Madison Provost.

In addition, UW has a formal policy and strong tradition of shared governance. Therefore, throughout the study the project team and consultant will help the Advisory Council representatives communicate frequently and effectively with their constituencies including their formal governance bodies (at UW-

Madison, these are the Faculty Senate, Academic Staff Assembly and University Staff Congress. Other institutions have similar governance organizations).

1.2.2. Objectives

Successful results of this study will include new job title/compensation structures, current market compensation data, information on leading-practice benefits/work-life programs, and a strategy to implement the new structures. The study results and recommendations should be clear and easily communicated. Specifically, the study results should:

- Define a job title framework that includes career paths both within and across job families;
- Help employees understand the new structures, the rationales behind them, and their placement;
- Provide flexibility to reflect differences in the value of jobs across institutions, including at UW-Madison;
- Identify benefits changes that maximize equity and help institutions attract and retain talent;
- Build credibility before and during implementation;
- Provide clarity on market-competitive pay levels in a sustainable way;
- Support talent management, career development, performance management, recruiting, strategic workforce planning and succession planning;
- Be efficiently administered, modified and updated to meet changing market demands;
- Provide UW-Madison with the job title and compensation flexibility to compete for the talent the campus needs to remain a world-class research and teaching institution;
- Provide UW institutions with the job title and compensation flexibility to compete for the talent each institution needs across a wide range of institution size and missions; and
- Provide the tools and expertise to enable campus human resources staffs to maintain a comprehensive compensation and classification management strategy.

1.2.3. Suggested Evaluative Criteria

- a) Compensation consulting experience: Experience conducting a similar study of this scope and magnitude and providing compensation consulting services to a similarly situated large public higher education system. (List at least 3)
- b) Expertise of staff: Consultants background, credentials experience in compensation consulting and knowledge of the higher education landscape. (5-10 years)
- c) Service Model: Conceptual approach or service model proposed consistent with the scope of this work (include the staff, responsibilities, interactions with staff, frequency of in-person meetings, conference calls, training and support, team dynamics).
- d) Cost: Total project costs, including follow-up consulting at 2 and 4-year post implementation interval.
- e) Time frame: Estimated duration of a project of this size and scope from start to implementation.
- f) References: Industry standing, reliability and professional reputation.
- g) Post-Study service and support: Proposed support, follow-up and training after study is completed.