2014-2015 Compensation Changes
(Prepared for Board of Trustees, March 27, 2014)

The 2014 Legislature appropriated new funding equivalent to a 1.25 percent cost of living adjustment (COLA), 2.2 percent medical premium increase, and 8.05 percent state retirement rate increase for higher education employees. This appropriation is comprised 75 percent by new tax funds with 25 percent funded through a first-tier tuition increase. The Board of Regents is considering a 4.0 percent first-tier tuition increase at their Board meeting on Friday, March 28. This increase will provide institutions with additional tuition revenue to meet the 25 percent portion of the legislative compensation appropriation and provide additional compensation funds for rank/tenure promotions, equity, and key retention/merit increases.

Beyond revenue generated from this first-tier tuition increase, UVU is reallocating summer budgeted funds to summer salaried faculty rates and, as planned, utilizing a portion of Acute Equity funds to bring adjunct faculty pay in closer alignment with regional universities.

This past year, UVU’s Benefits and Self-Funded Oversight Committees (with representation from Faculty Senate, PACE and administration) conducted an RFP process for all medical and dental plans. Their recommendations for providers, plan changes, and rates were presented to President’s Council for review and approval. As medical premiums are not increasing for 2014-15, the funding appropriated for medical premium increase will be used to fund an across-the-board increase for all salaried employees.

These changes have been reviewed by Faculty Senate Executive Committee and PACE Executive Committee.

Salaries/Wages

*Faculty*

A. All current salaried faculty will receive a 1.25 percent COLA increase to their annual base salary plus an additional $250 from medical premium savings (average = 1.6 percent)
B. Market equity adjustments as recommended by the Senior Vice President for Academic Affairs in consultation with Human Resources (average across all faculty salaries = 0.6 percent)
   a. Move non-terminally qualified faculty to 80 percent of market median and move terminally qualified faculty to 90 percent of market median; minimum increase of $200/maximum increase of $5,000 for identified faculty
   b. Adjust Summer ICHE rate to 3 percent of average 2013-14 faculty salaries resulting in change from $1,831 (Summer 2013) to $1,910 (Summer 2014)
C. Key retention/merit (average across all faculty salaries = 1.4 percent)
   a. Rank and tenure promotions for 66 faculty
   b. Targeted key retention/merit adjustments based on institutional guidelines (Attachment A) as recommended by the Senior Vice President for Academic Affairs in consultation with Human Resources
**Staff**

A. All current salaried staff will receive a 1.25 percent COLA increase to their annual base salary plus an additional $250 from medical premium savings (average = 1.8 percent)

B. Market equity adjustments as recommended by the appropriate Vice President in consultation with Human Resources (average across all staff salaries = 0.9 percent) with a minimum increase of $200/maximum increase of $5,000 for identified employees
   a. Exempt employees
      i. Move all current exempt employees to a minimum of 80 percent of market median
      ii. Move exempt employees with greater than 4 years but less than 8 years in position to 90 percent of market
      iii. Move exempt employees with greater than 8 years in position to market median
   b. Non-exempt employees
      i. Move non-exempt employees with greater than 3 years but less than 6 years in position to 90 percent of market median
      ii. Move non-exempt employees with greater than 6 years in position to market median

C. Key retention/merit (average across all staff salaries = 1.0 percent)
   a. Targeted key retention/merit adjustments based on institutional guidelines (Attachment A) as recommended by the appropriate Vice President in consultation with Human Resources

D. Addition of two levels to the nonexempt and exempt scales in anticipation of possible adjustments for the ongoing market benchmarking process (Attachments B and C)

**Executives**
(Excludes the President’s salary which is determined by the Board of Regents)

A. All current executives will receive a 1.25 percent COLA increase to their annual base salary plus an additional $250 from medical premium savings (average = 1.5 percent)

B. Market equity adjustments as determined by the President in consultation with Human Resources (average across all executive salaries = 1.3 percent)

C. Key retention/merit (average across all executive salaries = 0.8 percent)
   a. Targeted key retention/merit adjustments based on institutional guidelines (Attachment A) as recommended by the appropriate Vice President in consultation with Human Resources

D. Addition of two levels to the executive scale in anticipation of possible adjustments for the ongoing market benchmarking process (Attachment D)

**Adjunct Faculty**

In an effort to bring adjunct faculty pay rates more comparable with regional universities, increase adjunct pay rates by 12.68 percent--$300 per 3-credit hour course (Attachment E)

**Hourly Staff**

Increase existing hourly staff rates by 2.5 percent
Benefits

Medical Benefits

The Health Care RFP process concluded on February 12, 2014. After an extensive and in-depth review of eligible vendors and services, the Benefits Committee made a recommendation to award contracts to Universal Medical Resources (Medical Plan Administration), EnvisionRx (Pharmacy Benefit Manager), EMI Health (Dental Plan Administration), and Wage Works (HSA/FSA/COBRA Administration). The recommendation was approved by President’s Council on February 13, 2014.

Based on the change in health care administrators and the plan’s performance, there will be no significant changes to plan design for 2014-15. While not a significant change, the Affordable Care Act requires that copays and deductibles be included in the out-of-pocket maximum for in-network services. UVU will be including this adjustment for the upcoming plan year. No other significant changes are anticipated during the finalization of vendor contract.

Beginning July 1, 2014, employees will choose between two health care networks Choice + and Options PPO. The 2014-2015 premiums for all plans within the Choice Plus Network will remain the same as the 2013-2014 premiums with no increase in cost to employees or to the University. The Choice + network includes the same facilities as the 2013-2014 plan option. The Options PPO Network is a new buy-up network that includes the University of Utah Hospital and IASIS facilities, as well as all facilities in the Choice + Network.

Choice + Network--UVU will continue to fund 90 percent of the premium for the White Plan (lower premium, higher out-of-pocket) with employees contributing 10 percent of the premium. For the Green Plan (higher premium, lower out-of-pocket), UVU will fund the same monthly premium dollar amount as the White Plan with employees contributing 15.3 percent of the total premium. For the Qualified High Deductible Health Plan, UVU will fund the same monthly premium dollar amount as the White Plan with no employee premium share required.

Options PPO Network--UVU will fund the same monthly premium dollar amount as the Choice + White Plan. The discounts for the additional network are lower resulting in additional costs to the plan. Thus, employees choosing this network will pay a cost differential of 3.55 percent in premium.

Premiums for each plan are listed on Attachment F.

Dental Benefits

Based on UVU’s dental claim history during 2013-14, the dental premium rate will remain the same for the 2014-2015 plan year. Employees will continue to contribute 20 percent of the dental premium.

State Retirement

Rates for Contributory, Non-Contributory, and Tier II plans are increasing 8.05% beginning July 1, 2014.