



DATE: April 28, 2026

TO: Deans, Directors, and Vice Chancellors

FROM: John Zumbrennen, Provost and Executive Vice Chancellor for Academic Affairs *JZ*
Robert Cramer, Vice Chancellor for Finance and Administration *RC*

RE: Central Funds for Compensation Adjustments, 2025-2027 Fiscal Years

University of Wisconsin–Madison leadership has approved an investment in employee compensation totaling \$27.1 across fiscal years 2025-2027. In the context of significant fiscal uncertainty and budget constraints experienced this year, we have worked deliberately to bring together available resources to address compensation needs. The current approach is intended to support the university’s Total [Compensation Philosophy](#), which is to be a market-competitive employer that supports our staff and faculty. It will be accompanied by a salary structure update.

FY2025–26 Actions

For FY2025–26, the University is providing \$19.1 million in central funds to support compensation actions. These FY2025–26 actions include:

- \$10.5 million in one-time performance bonus funds (\$9 million for academic staff, limited appointees, and university staff, and \$1.5 million for faculty), designed to recognize sustained, above-and-beyond contributions, including work associated with the Workday implementation and navigating evolving State and Federal requirements.
- \$8.6 million in faculty base adjustments, consisting of \$7.6 million in Act 15 faculty market funds for high-demand fields and \$1 million for faculty post-tenure review salary adjustments. While Act 15 funding was targeted to specific high-demand disciplines and did not include arts and humanities fields, units are encouraged to use available central and local resources to prioritize market and parity considerations in disciplines that did not benefit from Act 15 funding.

Together, these resources are intended to help schools, colleges, and divisions address the most critical recruitment, retention, and performance-related compensation priorities during FY2025–26.

FY2026–27 Compensation Plan

For FY2026–27, the University will continue to invest in its employees through a comprehensive, centrally supported compensation plan that builds on these FY2025-26 investments. This includes:

- \$7.5 million in base-building central compensation funding through the Central Compensation Fund (CCF) allocation for academic staff, faculty, limited appointees, and university staff. This funding includes \$500,000 to support faculty members who were not designated as serving in Act 15 high-demand fields and were therefore ineligible for those funds, but whose efforts and contributions meaningfully advance UW–Madison’s teaching, research, and service mission.

Office of the Vice Chancellor for Finance and Administration

100 Bascom Hall University of Wisconsin-Madison 500 Lincoln Drive Madison, Wisconsin 53706-1380
608/262-9943 FAX: 608/263-7449

- Continued faculty market and post-tenure review investments totaling \$8.6 million, including the base-building conversion of any Act 15 market adjustments delivered as one-time payments in FY2025–26.
- A 2% pay plan for eligible faculty and staff, funded by the State of Wisconsin and supplemented with university funds, structured as base-building compensation, with one-time payments used only where salary range maximums limit base increases.

These actions are designed to sustain market competitiveness, support salary growth over time, and provide units with flexibility to address discipline-specific and market-driven compensation challenges.

Salary Structure Update

In addition, to ensure that UW–Madison’s salary ranges remain aligned with external labor market data, the Office of Human Resources (OHR) will implement a 3% salary structure update for FY2026–27. This update increases the minimums, midpoints, and maximums of established salary ranges across employee categories.

The salary structure update does not automatically result in individual pay increases. Instead, it ensures that salary ranges remain competitive and appropriately positioned to support current and future compensation actions, including pay plan increases, market adjustments, parity reviews, and career progression. As with previous compensation cycles, units are encouraged to review their budgets and allocate funds to address compression, parity, or range-related issues for positions that are not centrally funded.

Implementation Guidance for Schools, Colleges, and Divisions

Central campus funding will support pay adjustments for positions funded through designated campus funds, including Funds 101 and 104, and Funds 131 and 150 for certain units.

- Units are responsible for wage and salary adjustments for positions on other funds sources.
- Each school, college, and division is expected to outline processes related to distribution/eligibility of funds and communicate it to employees.
- Compensation adjustment timeframes are identified below.
- The central OHR office will provide details about the process at a later date.

This compensation strategy is essential to recognizing and retaining the exceptional faculty and staff whose contributions are central to the university’s standing as a world-class research and teaching institution.

Attached to this memo are the following documents:

- 2025-2027 Pay Initiatives Overview
- Performance and Market Adjustments for 2025–26
- Overarching HR and Budget Guidelines for 2025-26 Pay Initiatives
- Sample Compensation Review Process for units
- Charts with 2025-26 Performance Bonus Fund Allocations by school, college, and division

Additional information is on the [Pay Increases](#) website. View the university's [Salary Structure](#) for all ranges.

For specific compensation questions, contact OHR's Compensation Center of Excellence at compensation@ohr.wisc.edu. To view these documents online visit hr.wisc.edu.

Cc:

Jennifer Mnookin, Chancellor

Kent Weigel, Office of the Provost

Natalie Feggestad, Madison Budget Office

Allison La Tarte, Data, Academic Planning, and Institutional Research

Patrick Sheehan, Office of Human Resources

2025-2027 Campus Pay Initiatives Overview

This document summarizes the pay funding initiatives for the 2025-2026 and 2026-2027 fiscal years. Please contact your campus HR representative for specific guidance on these programs.

2025-2026 Pay Initiatives

Initiative	Funding	Eligibility	Key Effective Dates
One-Time Performance Bonus	\$10.5M	Academic Staff, Faculty, Limited Appointees, University Staff	5/3/26 (9-Mo) 5/17/26, 5/31/26, 6/14/26 (12-Mo)
Faculty Post-Tenure Funds *	\$1M	Faculty	FY2026
Act 15 Faculty Market Funds *	\$7.6M	Faculty	5/3/2026
3% Pay Plan (FY26) *		Academic Staff, Faculty, Limited Appointees, University Staff	6/29/25 (12-Mo), 8/18/25 (9-Mo)

- **Act 15 Note:** Funds may be applied as a base adjustment or a one-time payment in FY26. One-time payments in FY26 will be matched with an equivalent allocation for base adjustments in FY27. See memo dated February 20, 2026 for details.

* These funds have already been distributed.

2026-2027 Pay Initiatives

Initiative	Funding	Eligibility	Key Effective Dates
Base-Building Compensation	\$7M	Academic Staff, Faculty, Limited Appointees, University Staff	FY2027
Faculty Post-Tenure Funds	\$1M	Faculty	FY2027
Act 15 Faculty Market Funds	\$7.6M	Faculty	6/28/26 (12-Mo), 8/17/26 (9-Mo)

2% Pay Plan (FY27)		Academic Staff, Faculty, Limited Appointees, University Staff	6/28/26 (12-Mo), 8/17/26 (9-Mo)
---------------------------	--	---	------------------------------------

- **Act 15 Note:** Similar to FY26, one-time payments from FY26 are matched with FY27 base adjustments. OHR will provide detailed guidance to campus HR representatives for FY27 processing.
- **2% Pay Plan Note:** Similar to the previous year, staff at or near salary range maximums may receive a combination of base and one-time payments, or strictly one-time payments depending on their salary status relative to the pay range maximum.

For further details regarding FY27 processing or post-tenure adjustments, please refer to the specific memos dated February 20, 2026, and February 18, 2026, respectively.

Performance and Market Adjustments for 2025-2026

One-Time Bonus Funds (\$10.5M)

Performance Bonus Fund

For 2025-26, the central campus will allocate a total of \$10.5 million (\$9 million for academic staff, limited appointees, and university staff; and \$1.5 million for faculty) for one-time, lump sum performance bonuses. Employees must be in [Good Standing](#) for training and performance to receive this payment. Funding will include employees paid on 101.

Performance bonus funds for the 2025-26 fiscal year provide centrally funded one-time lump sum performance bonuses to individuals who delivered sustained, above-and-beyond performance and made significant contributions such as the Workday implementation and/or effectively managing the changing state and federal expectations during fiscal year 2026.

See the [FY26 Performance Bonus Program](#) job aid for additional guidelines around this initiative.

Faculty – Base Adjustments (\$8.6M)

Act 15 Faculty Market Funds (\$7.6M)

2025 Wisconsin Act 15 provides additional state funding for market-based pay to “attract faculty in high-demand fields of study.” This Act provides \$7.6M funding for faculty in high-demand fields on Fund 114. Act 15 Faculty Market Funds can be applied as a base adjustment or as a one-time payment in FY26. The total amount awarded as one-time payments in FY26 will be matched with an equivalent allocation in FY27 for base adjustments. OHR will provide detailed guidance to campus HR representatives for FY27 processing.

Faculty Post-Tenure Review Increment (\$1M)

For 2026-27, central campus is allocating \$1 million for post-tenure review adjustments. Funds are distributed to schools and colleges based on an FTE head count of tenured faculty on 101 funds.

Departments will follow their normal schedule of post-tenure review to coincide with the post-tenure review process guidance. Faculty will undergo the normal process of post-tenure evaluation as outline in department, school/college, and university policies. (It is assumed that about one-fifth of each school’s or college’s faculty undergo post-tenure review each year.) Total adjustments (the central portion plus any school/college matching funds) should fall within a range between \$1,500 and a dollar amount equal to 5% of base salary.

Overarching HR and Budget Guidelines

2025-26 Centralized Pay Adjustment Funding

The following provides guidance for all bonus lump sums under the centralized funding programs.

- It is expected that deans/directors' offices will work closely with departments/units to determine who is eligible to receive these funds.
- One-Time bonus lump sums will be submitted centrally for processing as defined by OHR
- Further information about how to process these increases will be forthcoming from OHR.

Performance Bonuses

Can be processed with the earliest effective date being May 3, 2026. The deadline for spending the funds is May 17, 2026 (9-Month employees) or June 14, 2026 (12-Month employees). OHR will coordinate a one-time mass upload of the performance bonuses for colleges/schools/divisions effective May 3, 2026.

Act 15 Faculty Market Funds

Approved FY26 adjustments were be processed with an effective date of May 3, 2026. These were processed as either a base adjustment or one-time bonus lump sum.

Funding Split

- Only faculty and staff fully or partially funded on 101 funds can be considered for base adjustments under these funding programs. When both 101 and non-101 funds underwrite a faculty or staff salary, the portion of the base adjustment borne by central campus will be the 101-share of the salary; increases from this program cannot change the funding split.
- The campus allocations to each division only factor in employees on funds 101, 104, and for certain units, will include employees on 131 and 150 to the extent they are funded by base allocations or new budget approach allocations. Divisions should not use campus compensation funds in a way that subsidizes an employee's required, ongoing effort on externally funded activities such as grants, auxiliary operations or other revenue-producing operations (136 funds). Such external resources should share proportionately in the cost of employee compensation.
- Adjustments to salaries on non-101 funding must be made with non-101 funds.
- Colleges, schools, and divisions must provide adjustments/bonuses on 101 funding of at least their allocated amount to receive their full 101-allocation for the program. Additional central campus funding will not be provided for 101 adjustments more than the allocation amount.

Employee Eligibility

The following employees are **ineligible** for adjustments under this funding program:

- Employees within their first 6 months of a probationary period or evaluation period.

- Post-Retirement Rehires not hired through open recruitment.
- Employees not considered in Good Standing related to any position specific compliance requirements.
- Supervisory staff who are not current with their employee performance evaluations.
- Employees who are on a performance improvement plan or are deemed ineligible for the FY26 compensation exercise.

Compensation Review Process (Sample Process)

Note: As part of this process, each school, college, and division is expected to communicate directly with faculty and staff regarding how central compensation funds will be distributed. This communication should clearly outline the criteria, guiding principles, and considerations being used to inform pay adjustment and bonus decisions, consistent with campus guidance and available funding sources.

The university is providing FY 2025-26 central funding to colleges, schools, and divisions to facilitate one-time performance bonuses. College X is excited to use this funding to address compensation issues including awarding faculty and staff for exceeding expectations. College X will proceed with the following process for pay adjustments.

- Each school, college, and division (SCD) will receive a funding allocation for one-time payment bonus lump sums and a listing of eligible faculty and staff. The funding amounts will be based on the number of faculty and staff in the SCD.
- Faculty/supervisors will holistically review the contributions faculty and staff have made and advance recommendations (names, justifications for one-time performance bonuses, and amounts) to the chair or director by (insert date). The below guiding principles will be used when recommending adjustments and/or bonuses.

(College inserts principles related to exceptional performance, achieving college initiatives, demonstrating college values, etc.)

- Chair/director will convene a small committee to review the recommendations and decide who should receive the performance bonuses.
- Final list of faculty and staff receiving performance bonuses will be forwarded to the Dean's Office by (insert date). Specifics of awardees will include name, justifications, and amounts. The aggregate adjustments and bonus amounts submitted cannot exceed the department or center allocation amount. However, there is the ability to exceed the funding if a department or center wants to use supplemental funds.

Some basic campus-wide parameters for the funding include:

- Faculty and staff must have completed their Sexual Harassment Prevention and Cybersecurity training to be eligible for increases.
- Supervisory staff must be current with their employee performance evaluations.
- Employees cannot be on a probationary period or an evaluation period.
- Post-Retirement Rehires not hired through open recruitment.
- Employees are not eligible if there are documented performance issues.

Pay adjustment/bonus programs fall under the campus [pay adjustment policy](#) (all provisions apply). If you have questions, please contact XXX.

FY26 One-Time Performance Bonus Fund Allocations

Faculty Allocations:

Division	Allocation
CALS College of Agricultural and Life Sciences	\$ 115,504
CALS College of Agricultural and Life Sciences - EXT	12,253
COE College of Engineering	95,048
IES IES Institute of Environmental Studies	28,003
IES IES Institute of Environmental Studies - EXT	222
L&S College of Letters & Science	720,998
L&S College of Letters & Science - EXT	408
LAW Law School	15,853
Nursing School of Nursing	10,542
Pharmacy School of Pharmacy	11,191
SMPH School of Medicine and Public Health	206,262
SOE School of Education	87,247
SoHE School of Human Ecology	16,469
SoHE School of Human Ecology - EXT	2,065
SVM School of Veterinary Medicine	21,129
WSB Wisconsin School of Business	61,725
DCS Division of Continuing Studies	12,308
EXT Division of Extension	82,772
TOTAL ALLOCATION	\$ 1,500,000



Academic Staff, University Staff, and Limited Appointee Allocations:

Division	Allocation
ATHL Intercollegiate Athletics	\$ 265,615
AVCFA Associate Vice Chancellor for Finance	90,253
CALS College of Agricultural and Life Sciences	415,120
CHAZEN Chazen Museum of Art	12,593
COE College of Engineering	287,279
DAPIR Vice Provost of Data, Academic Planning & Institutional Research	19,646
DCS Division of Continuing Studies	75,172
DEM Division of Enrollment Management	117,686
DoIT Division of Information Technology	324,027
DOTA Division of the Arts	4,567
DTL Division for Teaching and Learning	108,803
EXT Division of Extension	289,264
FPM Facilities Planning and Management	625,359
GRADSCH Graduate School	16,953
Housing University Housing	215,636
IES IES Institute of Environmental Studies	37,646
INTLDIV International Division	66,719
L&S College of Letters & Science	836,019
LAW Law School	72,149
LIB Libraries	107,975
Nursing School of Nursing	70,188
OHR Office of Human Resources	106,747
OSC Office of Strategic Consulting	27,879
OVCR Office of the Vice Chancellor for Research	596,170
Pharmacy School of Pharmacy	61,387
Police University Police Department	88,454
REC WELL University Recreation and Wellbeing	48,250
ROTC Officer Education	1,457
SMPH School of Medicine and Public Health	2,429,489
SOE School of Education	348,053
SoHE School of Human Ecology	62,940
SSB Associate Vice Chancellor for Student Success and Belonging	33,154
STUADV Associate Vice Chancellor for Student Advocacy	18,678
SVM School of Veterinary Medicine	250,373
UHS University Health Services	115,493
Union Wisconsin Union	166,605
UNVADM University Administration	35,651
UWPRESS University of Wisconsin Press	9,592
VCFA Vice Chancellor for Finance and Administration	20,915
VCLA Vice Chancellor for Legal Affairs	31,432
VCSA Vice Chancellor for Student Affairs	11,906
VCSC Vice Chancellor for Strategic Communication	36,338
VCUR Vice Chancellor for University Relations	17,277
WEST Workday Enterprise Solutions Team (WEST)	89,608
WPM Wisconsin Public Media	138,920
WSB Wisconsin School of Business	194,563
TOTAL ALLOCATION	\$ 9,000,000