



DATE: September 23, 2026

TO: Deans, Directors, and Vice Chancellors

FROM: John Zumbrunnen, Provost and Executive Vice Chancellor for Academic Affairs
Robert Cramer, Vice Chancellor for Finance and Administration

RE: Central Compensation Fund (CCF), 2027 Fiscal Year

University of Wisconsin–Madison leadership has approved a fiscal year 2027 compensation strategy. This strategy will support the university’s Total Compensation Philosophy, which is to be a market-competitive employer that supports our staff and faculty.

This compensation strategy includes an allocation of more than \$12.5 million in new central funding, including \$7.5 million for base-building compensation adjustments and \$5 million for one-time employee performance bonuses. These investments will support schools, colleges, and divisions in recognizing, rewarding, and retaining faculty and staff, as well as assist in addressing issues identified in the annual compensation analysis.

Special consideration should be given to the following issues identified in the compensation analysis:

- Market competitiveness
- Compression and parity concerns
- Lower-paid employee populations
- Critical retention needs
- Strategic workforce priorities

Your local HR or the Compensation Center of Excellence (CCOE) can provide information about the annual compensation analysis for your unit.

As with previous compensation plans, units are encouraged to review their budgets and allocate their own funds to address salaries for positions that are not centrally funded. The full \$7.5

million annual base-building allocation is being provided to units in FY27. However, because the base salary adjustments become effective November 29, 2026, the portion of this amount needed to support those base salary adjustments through June 30, 2027, will be allocated as base-building compensation funding. The remaining approximately \$2.9 million attributable to the period before the effective date will be distributed to units in FY27 as additional one-time employee performance bonus funding, to be added to the \$5 million already allocated for this purpose. Beginning in FY28, units will receive the full annualized base-building allocation.

Central funding provided for base wage and salary adjustments was calculated based on the March 2026 payroll snapshot. The funds included in the calculations for each unit are noted in the allocation tables. Campus base-building compensation funds may not be used to alter the percentage funding splits for employees whose ongoing appointments are supported by grants, auxiliary operations, fee-for service activities, or service-based pricing graduate programs. These revenue sources should share proportionately in compensation adjustments.

- Units are responsible for wage and salary adjustments for all positions. Central funding will support only eligible positions, and any adjustments for positions not covered by central funding must be funded by the unit.
 - **Positions eligible for base-building adjustments:** Academic Staff, Faculty, Limited Appointees, and University Staff positions funded in whole or in part by Fund 101, subject to the employee eligibility requirements outlined in this memo.
 - **Not eligible for central base-building adjustments:** Positions funded exclusively from non-101 sources, including grants, auxiliary operations, fee-for-service activities, and service-based pricing graduate programs. Schools, colleges, and divisions may choose to provide compensation adjustments for these positions using their own funding sources.
 - One-time employee performance bonuses may be awarded to eligible employees regardless of funding source; however, units must allocate the centrally funded bonus amount to employees as Fund 101.
- Each school, college, and division will communicate to employees regarding the processes related to distribution/eligibility of funds. This is essential for promoting understanding and confidence in the compensation process.
- Units are encouraged to target base adjustment funds strategically to areas of greatest need. In making allocation decisions for faculty, units should support continued progress toward salary competitiveness among peer institutions and for all positions, give particular attention to market, compression, parity, retention and other issues identified through the compensation analysis. Base adjustment timeframes are identified below.
- The central Office of Human Resources (OHR) will provide details about processing pay adjustments through separate implementation guidance.

Providing \$12.5 million in additional compensation is crucial to support outstanding faculty and staff who make the university a world-class research and teaching institution. This investment supports UW–Madison’s ability to recognize, reward, and retain the faculty and staff who advance the university’s teaching, research, and service missions.

Attached to this memo are the following documents:

- 2026-2027 Pay Initiative Charts
- Overarching HR and Budget Guidelines for 2027 Centralized Pay Adjustment Funding
- Compensation Review Process (Sample Process)
- 2027 Funding 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 your local HR contact.

CC: Eric Wilcots, Interim 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

2026-2027 Pay Initiative Charts

The unit allocations shown below represent the full annualized base-building commitment. For FY27, the amount required to fund salary increases from the November 29, 2026, effective date through June 30, 2027, will support base salary adjustments. The approximately \$2.9 million associated with the period before the effective date will be distributed as additional one-time employee performance bonus funding. The full annualized base-building amount will support the continuing salary adjustments beginning in FY28.

Faculty and Staff – Base Adjustments (\$7.5M) <i>OHR will provide detailed guidance to campus HR representatives</i>			
Pay Adjustment	Funding Allocated	Employee Category	Timeframe
Base-Building Central Compensation Fund	\$3.55M	Academic Staff	Adjustments effective: November 29, 2026 (Paid December 24, 2026)
	\$1.89M	Faculty	
	\$500,000	Faculty (not included in the Act 15 market funds exercise)	
	\$480,000	Limited Appointee	
	\$1.09M	University Staff	

The amounts shown represent the full annualized base-building allocation. Separate FY27 allocation information will identify the prorated amount supporting base salary adjustments from November 29, 2026, through June 30, 2027, and the corresponding additional one-time employee performance bonus amount available to the unit.

Faculty and Staff – One-Time Employee Performance Bonus (\$5M) <i>OHR will provide detailed guidance to campus HR representatives</i>			
Pay Adjustment	Funding Allocated	Employee Category	Timeframe
Employee Performance Bonus	\$5.0M	Academic Staff Faculty Limited Appointee University Staff	Adjustments effective: November 29, 2026 (Paid December 24, 2026)
Additional FY27 one-time employee performance bonus funding resulting from the timing of base adjustments	\$2.9M		
Total FY27 one-time employee performance bonus funding	\$7.9M		

All one-time funding described in this section, including the approximately \$2.9 million generated by the FY27 timing of the base salary adjustments, is designated exclusively for one-time employee performance bonuses. These funds may not be redirected to other one-time operating expenses or non-compensation purposes. All eligibility, justification, documentation, review, and approval requirements in this guidance apply to both components of the one-time employee performance bonus funding.

Completed FY27 Compensation Initiatives

Faculty – Act 15 Compensation Programs (\$8.6M) <i>These funds have been allocated and distributed to eligible employees.</i>		
Pay Adjustment	Funding Allocated	Timeframe
Act 15 Faculty Market Funds*	\$7.6M	Adjustments effective: June 28, 2026 (12-Month) August 17, 2026 (9-Month)
Faculty Post-Tenure Adjustments for Distribution in FY2027**	\$1.0M	

*See memo dated February 20, 2026, for details on the Act 15 Faculty Market Funds.

**See memo dated February 18, 2026, for details on Faculty Post-Tenure Adjustments.

Faculty and Staff – 2% Pay Plan (FY27) <i>These dollars have been allocated and distributed to Employees</i>			
Pay Adjustment	Funding Allocated	Base Building or One-Time Payment	Timeframe
Eligible Faculty and Staff	2% of base compensation	Base	Adjustments effective: June 28, 2026 (12-Month) August 17, 2026 (9-Month)
Eligible Staff (over maximum of salary grade)	2% of base compensation	One-Time Payment	

Overarching HR and Budget Guidelines

2027 Centralized Pay Adjustment Funding

The following provides guidance for all compensation adjustments and performance bonuses under the centralized funding programs.

- Final authority for proposing adjustments is delegated to Provost and Vice Chancellors.
- It is expected that deans/directors' offices will work closely with departments/units to determine who is eligible to receive these funds. Adjustments will be submitted centrally for processing as defined by OHR.
- Consistent with applicable university financial controls, units must identify and submit for CHRO review any proposed base salary adjustment of 10% or more, any one-time performance bonus that is 10% or more of the employee's current salary or exceeds \$5,000, and any adjustment for an employee who has already received a base-building adjustment or lump-sum award during the fiscal year, excluding state pay plan adjustments. These adjustments may not be processed until the CHRO review and any required approvals are complete.
- Justification and documentation for all increases is required.
- Priority considerations for base adjustments include:
 - Market competitiveness
 - Compression and parity concerns
 - Lower-paid employee populations
 - Critical retention needs
 - Strategic workforce priorities
- All units must submit a brief implementation summary to OHR via a Box folder describing how the funds will be used, how the stated priority considerations were incorporated, and a copy of the notification sent to all employees. Any material deviations from the guidance – base salary adjustments greater than 10% or one-time performance bonuses exceeding 10% of the employee's current salary or exceeding \$5,000 – should be explained. In addition, the communication plan and any related communications must be submitted to OHR via a Box folder by November 25, 2026.
- Further information about how to process these increases will be forthcoming from OHR.

Faculty and Staff Base Adjustments & One-Time Employee Performance Bonuses

All base adjustments and one-time performance bonuses will be processed with the same effective date: November 29, 2026. OHR will coordinate a one-time mass upload of approved rate changes for colleges/schools/divisions, with the adjustments reflected in employee's December 24, 2026, paycheck. Individuals whose salaries are at or above the maximum of their assigned pay range are not eligible for base adjustments. These individuals can receive a performance bonus.

Act 15 Faculty Market Funds

Approved FY27 adjustments have been processed with an effective date June 28, 2026 (12-Month) or August 17, 2026 (9-Month). These have been processed as either a base adjustment or one-time lump sum payment.

Non-Act 15 Faculty Bonuses

Of the \$7.5 million in FY27 base-building central compensation funding through the CCF allocation for employees, \$500,000 is designated to support faculty members who were not eligible for the ACT 15 funds, but whose efforts and contributions meaningfully advance UW-Madison's teaching, research, and service mission. FY27 funding is prorated based on the November 29, 2026, effective date; beginning in FY28, the full annualized allocation will be provided.

Funding Split

Campus base-building compensation funds may not be used to alter the percentage funding splits for employees whose ongoing appointments are supported by grants, auxiliary operations, fee-for-service activities, or service-based pricing graduate programs. These revenue sources should share proportionately in compensation adjustments.

Employee Eligibility

The following employees who otherwise meet all other eligibility requirements are **ineligible** for adjustments under this funding program.

- Employees on probation or serving an evaluation period are ineligible for performance adjustments.
- Post-Retirement Rehires who were 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 most recent employee performance evaluations.
- Employees who are on a performance improvement plan or are otherwise deemed ineligible for the FY27 compensation exercise.

Compensation Review Process (Sample Process)

The university is providing FY 2027 central funding to schools, colleges, 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 performance bonus payments 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 performance bonuses, and amounts) to the chair or director by (insert date). The below guiding principles will be used when recommending base adjustments and/or performance 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.

Funding Allocations

Base Adjustment Funding Allocations

The table below outlines the base fund allocations by division for eligible Faculty, Academic Staff, Limited Appointees, and University Staff. The central OHR office will provide Employment Category-specific allocations separately.

Calculation Fund	Allocation Fund	Division	Full Allocation	FY27 Allocation
101	101	AVCFA Associate Vice Chancellor for Finance	\$ 111,449	\$ 65,012
101	131	CAI Computing & Artificial Intelligence	143,628	83,783
101	131	CALS College of Agricultural and Life Sciences	448,241	261,474
104	104	CALS College of Agricultural and Life Sciences - EXT	23,081	13,464
101	101	CHAZEN Chazen Museum of Art	15,889	9,269
101	131	COE College of Engineering	403,267	235,239
101	101	DAPIR Data, Academic Planning & Institutional Research	24,790	14,461
101	101	DCS Division of Continuing Studies	14,333	8,361
101	101	DEM Division of Enrollment Management	153,524	89,556
101	101	DoIT Division of Information Technology	332,479	193,946
101	101	DOTA Division of the Arts	6,248	3,645
101	101	DTL Division for Teaching and Learning	129,716	75,668
104	104	EXT Division of Extension	186,245	108,643
101/150	101/150	FPM Facilities Planning and Management	542,866	316,672
101	101	GRADSCH Graduate School	21,006	12,254
101	131	IES IES Institute of Environmental Studies	42,455	24,765
104	104	IES IES Institute of Environmental Studies - EXT	523	305
101	101	INTLDIV International Division	32,353	18,873
101	131	L&S College of Letters & Science	1,432,089	835,385
104	104	L&S College of Letters & Science - EXT	756	441
101	101	LAW Law School	110,117	64,235
101	101	LIB Libraries	144,033	84,019
101	131	Nursing School of Nursing	93,797	54,715
101	101	OHR Office of Human Resources	144,045	84,026
101	101	OSC Office of Strategic Consulting	11,397	6,648
101/150	150	OVCR Office of the Vice Chancellor for Research	258,724	150,922
101	131	Pharmacy School of Pharmacy	76,691	44,736
101	101	Police University Police Department	115,743	67,517
101	101	REC WELL University Recreation and Wellbeing	13,790	8,044
101	101	ROTC Officer Education	2,018	1,177
101	131	SMPH School of Medicine and Public Health	633,821	369,729
101	131	SOE School of Education	281,400	164,150
101	131	SoHE School of Human Ecology	90,710	52,914
104	104	SoHE School of Human Ecology - EXT	3,877	2,262
101	131	SVM School of Veterinary Medicine	196,994	114,913
101	101	UHS University Health Services	4,152	2,422

Calculation Fund	Allocation Fund	Division	Full Allocation	FY27 Allocation
101	101	Union Wisconsin Union	5,226	3,049
101	101	UNVADM Chancellor	25,786	15,042
101	101	UNVADM Provost	24,109	14,064
101	101	UWPRESS University of Wisconsin Press	4,841	2,824
101/136	101/136	VCFA Vice Chancellor for Finance and Administration	16,634	9,703
101	101	VCCLA Vice Chancellor for Legal Affairs	39,743	23,183
101/136	101/136	VCSEA Vice Chancellor for Student Affairs	76,905	44,861
101	101	VCSC Vice Chancellor for Strategic Communication	45,400	26,483
101	101	VCUR Vice Chancellor for University Relations	19,555	11,407
136	136	WEST Workday Enterprise Solutions Team (WEST)	103,796	60,548
104	104	WPM Wisconsin Public Media	42,294	24,672
101	131	WSB Wisconsin School of Business	349,464	203,854
TOTAL ALLOCATION			\$ 7,000,000	\$ 4,083,335

Base Adjustment Funding Allocations – Faculty not eligible for Act 15 Funding

Calculation Fund	Allocation Fund	Division	Non-Act 15 Allocation
n/a	131	CALS College of Agricultural and Life Sciences	\$ 22,644
	131	IES IES Institute of Environmental Studies	19,936
	131	L&S College of Letters & Science	328,206
	131	SOE School of Education	23,751
	104	EXT Division of Extension	80,605
	150	OVCR Office of the Vice Chancellor for Research	24,858
TOTAL ALLOCATION			\$ 500,000

Performance Bonus Allocations

Calculation Fund	Allocation Fund	Division	Campus-Wide	FY27 Unused Base	Total Allocation
All Funds	128	ATHL Intercollegiate Athletics	\$ 149,501	\$ -	\$ 149,501
	101	AVCFA Associate Vice Chancellor for Finance	50,251	46,437	96,688
	131	CAI Computing & Artificial Intelligence	43,196	59,845	103,041
	131	CALS College of Agricultural and Life Sciences	234,395	196,384	430,779
	101	CHAZEN Chazen Museum of Art	7,134	6,620	13,754
	131	COE College of Engineering	161,773	168,028	329,801
	101	DAPIR Vice Provost of Data, Academic Planning & Institutional Research	10,482	10,329	20,811
	101	DCS Division of Continuing Studies	41,769	5,972	47,741
	101	DEM Division of Enrollment Management	65,903	63,968	129,871
	101	DoIT Division of Information Technology	182,767	138,533	321,300
	101	DOTA Division of the Arts	2,587	2,603	5,190

Calculation Fund	Allocation Fund	Division	Campus-Wide	FY27 Unused Base	Total Allocation
	101	DTL Division for Teaching and Learning	61,641	54,048	115,689
	104	EXT Division of Extension	163,051	77,602	240,653
	101/150	FPM Facilities Planning and Management	283,869	226,194	510,063
	101	GRADSCH Graduate School	8,779	8,752	17,531
	128	Housing University Housing	116,137	-	116,137
	131	IES IES Institute of Environmental Studies	20,499	17,908	38,407
	101	INTLDIV International Division	36,980	13,480	50,460
	131	L&S College of Letters & Science	429,412	597,019	1,026,431
	131	LAW Law School	39,874	45,882	85,756
	101	LIB Libraries	60,392	60,014	120,406
	131	Nursing School of Nursing	38,937	39,082	78,019
	101	OHR Office of Human Resources	59,675	60,019	119,694
	101	OSC Office of Strategic Consulting	15,232	4,749	19,981
	150	OVCR Office of the Vice Chancellor for Research	336,690	107,802	444,492
	131	Pharmacy School of Pharmacy	33,828	31,955	65,783
	101	Police University Police Department	49,484	48,226	97,710
	128	REC WELL University Recreation and Wellbeing	27,324	5,746	33,070
	101	ROTC Officer Education	825	841	1,666
	131	SMPH School of Medicine and Public Health	1,374,946	264,092	1,639,038
	131	SOE School of Education	196,377	117,250	313,627
	131	SoHE School of Human Ecology	34,681	39,411	74,092
	131	SVM School of Veterinary Medicine	140,945	82,081	223,026
	128	UHS University Health Services	64,738	1,730	66,468
	128	Union Wisconsin Union	92,683	2,177	94,860
	101	UNVADM Chancellor	18,524	10,744	29,268
	101	UNVADM Provost	12,082	10,045	22,127
	128	UWPRESS University of Wisconsin Press	5,433	2,017	7,450
	101/136	VCFA Vice Chancellor for Finance and Administration	7,798	6,931	14,729
	101	VCLA Vice Chancellor for Legal Affairs	16,851	16,560	33,411
	101/136	VCSA Vice Chancellor for Student Affairs	36,018	32,044	68,062
	101	VCSC Vice Chancellor for Strategic Communication	19,734	18,917	38,651
	101	VCUR Vice Chancellor for University Relations	9,014	8,148	17,162
	136	WEST Workday Enterprise Solutions Team (WEST)	50,124	43,248	93,372
	104	WPM Wisconsin Public Media	78,694	17,622	96,316
	131	WSB Wisconsin School of Business	108,971	145,610	254,581
			\$ 5,000,000	\$ 2,916,665	\$ 7,916,665