



University of Kentucky  
Office of the EVPFA

University of Kentucky  
Office of the Provost

April 12, 2024

Dear Colleagues,

In June, President Capilouto will propose to the Board of Trustees a 2024-25 compensation plan in alignment with our goal of recognizing faculty and staff contributions. The 2024-25 compensation plan is the largest investment in our history for our community members who work in higher education and athletics.

The 2024-25 budget will invest more than \$27 million in our people that are funded centrally from state appropriations and tuition revenue. This investment will include \$18.1 million for a salary increase pool and an additional \$9.2 million for health benefits.

If adopted, it will be the 11th time in the last 12 years we've provided increases in pay for our people. We will also be offsetting the rising costs of health benefits, as much as possible, to ensure you have as much access as possible to the best of care.

This will be the third year of a multi-year strategy, which supports our goal of an overall compensation system that is externally competitive and internally consistent. This approach also provides flexibility to managers regarding salary adjustments as the best decisions are made at the unit level.

From a review of the first two years of this effort for distributing salary increases, we believe the initiative was very successful. In short, we believe we are making progress toward:

- Easing compression in departments throughout the University.
- Creating positive movement in pay at lower grade levels.
- And ensuring more of our staff are now above the mid-point in their pay grade.

All are positive indications that this effort is doing what it is designed to do by providing leaders with the tools and flexibility they need to make decisions that are in the best interests of team members and the institution.

The FY 2024-25 Salary Plan applies to all eligible faculty and staff at the University, excluding UK HealthCare (UKHC) employees (Personnel Area = 1500) as UKHC operates on a separate salary review cycle. Pending Board of Trustees approval, the salary plan will be effective July 1, 2024, and includes a salary increase pool of \$18.1 million, including benefits, for eligible faculty and staff funded with central funds (i.e., undesignated general funds). Equivalent pools will be established for eligible faculty and staff funded with designated general funds, restricted funds and auxiliary funds. The salary plan also includes a 1.0 percent increase in the staff salary scales (pay grade ranges).

The 2024-25 Salary Plan Guidelines, including a summary of the plan, is attached. The accompanying guidelines describe the eligibility requirements and process for awarding the salary increase pools and salary scales.

We greatly appreciate the outstanding work faculty and staff do on behalf of the University of Kentucky.

Sincerely,



Eric N. Monday  
Executive Vice President for Finance and  
Administration and Co-Executive Vice  
President for Health Affairs



Robert S. DiPaola  
Provost and Co-Executive Vice  
President for Health Affairs

Attachment

C: President Eli Capilouto

**University of Kentucky**  
**2024-25 Salary Plan Summary**  
**(Excluding UK HealthCare)**

Similar to the last two years, UK will implement salary increases in a manner that gives leaders and supervisors flexibility in creatively allocating additional salary funds.

One of the principles of our strategic plan is "Taking Care of our People." That includes how we compensate our faculty and staff for their contributions. By entrusting salary increase decisions with those who are best positioned to know their college and units' needs, we can use additional salary funds most effectively.

The salary increase, defined by the 2024-25 Salary Plan Guidelines for all eligible faculty and staff, may be awarded as college and division leaders deem appropriate, working within available funds.

There are many factors which can inform how the salary increase pools are allocated, such as:

- High performance
- An individual's salary relevant to the market range
- Current salary position within pay grade relative to amount of experience
- Compression easing
- Retention efforts
- Salaries of others in similar positions

This salary allocation process empowers managers and leaders to recognize and reward strong performance while also taking into consideration external market factors. Below are some considerations for allocating the funds for salary increases.

**High performance**

A salary increase is one visible way to recognize and reward employees who have demonstrated very high skills, knowledge and abilities. The annual performance evaluation score may be one point of information in determining high performance. Other department metrics or observations should also play a role as well.

**Market salary range**

HR Compensation will share salary market data. If data shows salaries at other organizations are higher than those at UK for a position, leaders may decide to use this year's salary increase toward offering market-competitive compensation.

**Salary position within pay grade**

Each pay grade at UK comes with a minimum and a maximum salary. Salary funds can be used to increase the salary within the pay grade for an employee with more experience and education.

**Compression easing**

Salary compression can occur over time when less-experienced employees are hired at a salary close to those who have more experience. These funds could be used to increase the salary of more experienced employees and reduce that compression.

**Retention efforts**

Retention is our best recruitment strategy. Current dynamics in the labor market nationwide have shown the value of retaining our current employees.

**Salaries for similar positions at UK**

UK strives for pay consistency for individuals who are in similar positions and have similar performance, grade levels, levels of education and experience.

**University of Kentucky**  
**2024-25 Salary Plan Guidelines**  
**FACULTY AND STAFF**  
**(Excluding UK HealthCare)**  
**Effective July 1, 2024**

## Overview

1. A salary pool totaling approximately \$18.1 million, including benefits, is to be allocated to eligible employees funded with undesignated general funds (FCC = S, M, and N). Equivalent pools will be established for eligible faculty and staff funded with designated general funds, restricted funds and auxiliary funds.
2. The salary pools may not be augmented regardless of fund source.
3. Salary increases will be effective July 1, 2024.
4. We often describe the financial management of our university in terms of three enterprises: higher education, athletics, and health care. These guidelines apply to faculty and staff in the higher education and athletics enterprises. UK HealthCare operates on a separate budget cycle and UKHC will communicate salary increase plans at a later date. A UK HealthCare employee is defined as anyone whose personnel area in the employee enterprise structure is equal to 1500 at the time of allocating the salary increase pools.
5. The current salary scales for staff will increase 1.0 percent, as reflected in attachments I and II. All regular staff shall be paid at least the revised minimum of the salary scales, as applicable. An additional pool of funds is to be used for salary scale adjustments. The salary scale adjustments are not to be funded from the salary raise pool.
6. Do not distribute FY 2024-25 salary letters to faculty or staff until notified by the appropriate Area Fiscal Officer.

## Eligibility

1. To be eligible to receive a salary increase, regardless of fund source, faculty and staff must:
  - have held a regular position as of February 2, 2024
  - not currently be on a phased retirement appointment
  - be in a regular position at the time the allocation is made during the budget process (Personnel Subareas = 0001 – 0005)
  - not be considered a UK HealthCare (UKHC) employee (Personnel Area = 1500) at the time of the salary pool allocation
2. Regular faculty and staff on military or other federally protected leave are eligible for a salary increase.

**University of Kentucky**  
**2024-25 Salary Plan Guidelines**  
**FACULTY AND STAFF**  
**(Excluding UK HealthCare)**  
**Effective July 1, 2024**

**Eligibility (continued)**

3. Faculty and staff must have demonstrated at least satisfactory work performance for the 2023 calendar year as measured by the performance evaluation score or other indicator(s) to receive a salary increase. For example, staff must have demonstrated at least satisfactory work performance for the 2023 calendar year as measured by a performance evaluation score greater than or equal to 2.0.
4. Faculty and staff with no documented performance score or indicator(s) for the 2023 calendar year are eligible for a salary increase if their performance was deemed at least satisfactory by the department or unit head.

**Operational Considerations**

1. Members of the President’s Cabinet will be assigned a pool of dollars for salary increases proportionate to each division’s percentage of the total salaries funded centrally at the University. Similar salary increase pools will be created for employees funded with other sources. The Cabinet members will allocate the salary increase pools to their colleges and/or units as they deem appropriate. Following is a list of the Cabinet members and the applicable Area and Area Fiscal Officer:

<b>Member</b>	<b>Division</b>	<b>Area</b>	<b>Area Fiscal Officer</b>
• Katrice Albert	Institutional Diversity	President	Brad West
• Mitch Barnhart	Intercollegiate Athletics	Athletics	Melissa Gleason
• Eli Capilouto	Office of the President	President	Brad West
• Lisa Cassis	Research	Research	Judy Duncan
• Robert S. DiPaola	Provost	Provost	Kristen Cheser
• Jake Lemon	Philanthropy	President	Brad West
• Eric N. Monday	Finance and Administration	EVPFA	Brad West
• Joe Reed	Internal Audit	President	Brad West
• Bill Thro	Legal Counsel	President	Brad West
• Kirsten Turner	Student Success	Student Success	Grace Hahn

2. Salary increase pools for positions funded with undesignated general funds (coded as FCC = S, M or N) will be funded centrally. For other eligible positions, funds for salary increase pools must be identified and allocated within the college or unit. The salary increase pool amount for undesignated general fund positions will be used to determine the proportionate salary increase pool amounts for all other funding sources. Area Fiscal Officers will assist colleges and/or units in determining the salary increase pool amounts for the other funding sources.

**University of Kentucky**  
**2024-25 Salary Plan Guidelines**  
**FACULTY AND STAFF**  
**(Excluding UK HealthCare)**  
**Effective July 1, 2024**

**Operational Considerations (continued)**

3. Allocation of the salary increase pools to employees will be determined at the discretion of the dean or unit manager. The allocation may be informed by multiple factors including, but not limited to, performance, compression, retention risk, identified market changes, salary position within pay grade and/or salaries for similar positions at UK.
4. The salary scale adjustments shall be applied first. If applicable, the salary rate for any staff employee shall first be increased to the FY 2024-25 minimum salary scale.
5. Eligible faculty and staff with satisfactory performance for the 2023 calendar year may receive a salary increase as determined by the dean or unit manager. Faculty and staff with unsatisfactory performance may be awarded zero salary increase.
6. The salary increase shall be based on the eligible faculty and staff's salary in effect on February 2, 2024. For any eligible faculty or staff whose base salary changed on or after February 3, 2024, the salary increase amount shall be based on the faculty or staff's base salary in effect on February 2, 2024, and then added to the employee's current base salary to determine their new base salary.
7. Promotions for faculty holding positions funded with undesignated general funds (coded as FCC = S, M or N) will be funded from a separate pool of funds provided to the Areas. Salary adjustments for faculty promotions shall be added to the applicable faculty's salary effective July 1, 2024.
8. The full amount of the salary increase pools must be distributed to eligible faculty and staff through this process. None of the salary increase pools may be held in reserve or used to support other costs.
9. In rare cases whereby funds for salary increases are not available from the position's current fund source, other funds must be identified. Lack of funding cannot prevent awarding a salary increase to eligible faculty or staff or a scale adjustment to staff. For example, a faculty member appointed to an endowed chair or professorship has a portion of their current salary and benefits funded from the endowment spending distribution. If there are insufficient recurring funds from the endowment to fund the proportionate salary and benefit cost increases, other fund sources must be identified.

**University of Kentucky**  
**2024-25 Salary Plan Guidelines**  
**FACULTY AND STAFF**  
**(Excluding UK HealthCare)**  
**Effective July 1, 2024**

**Process**

1. The salary increases will be entered into the university's budget system, Axiom, using the appropriate Axiom screens.
2. Salary increases related to faculty promotions shall be entered into Axiom with the salary reason code of "Promotion".