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MINUTES OF THE SPECIAL MEETING
of the
BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Madison, Wisconsin

Held in the Clarke Smith Room, 1820 Van Hise Hall
Friday, November 22, 1974, 9:35 A.M.

President Pelisek presiding.

PRESENT: Regents Barkla, DeBardleben, Dixon, Fish, Hales, Kopp, Lavine, Neshek,
Pelisek, Renk, Sandin, Williams, and Zancanaro.

ABSENT: Regents McNamara, Solberg, and Thompson.

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REPORT OF THE PRESIDENT OF THE SYSTEM

President Pelisek stated this is a special meeting of the Board called for the specific purpose of discussing Biennial Operating Budget Policy Paper #10.0, Faculty/Academic Staff Compensation Proposal.

President Pelisek recognized President Weaver for the purpose of making a presentation.

President Weaver stated that S. Edward Horkan has been a budget builder and analyzer for a very long time and with a very, very high level of professional expertise and exactitude. President Weaver stated that Mr. Horkan now wishes to retire, and it is with great regret that we see him do so.

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VP

President Pelisek moved adoption of Resolution 896, relating to the retirement of S. Edward Horkan (EXHIBIT A attached), the motion was seconded by Regent Lavine, and it was voted unanimously.

President Weaver presented to Mr. Horkan a Presidential Citation for Distinguished Service, which reads as follows: "In a career of 39 years of distinguished University service, Edward Horkan gained a singular reputation for integrity, accuracy and reliability in a pursuit that demanded such attributes in ever-increasing shares.

"His intimate knowledge of the budgetary process has made his name legendary.

"Both in years of service and in measure of devotion, he was the senior officer of the University of Wisconsin System. His personal sacrifice and demonstrated loyalty to the institution he served earned him the greatest admiration and deep respect of all his colleagues.

"Therefore, in testimony to his professional skill and personal dedication, it is with pride that I, in behalf of the University of Wisconsin System, confer upon S. Edward Horkan this Presidential Citation for Distinguished University Service."

President Weaver referred to the Biennial Operating Budget Policy Paper #10.0, relating to the 1975-77 Faculty/Academic Staff Compensation Proposal. He noted that this is the portion of the budget that relates to faculty compensation which we were asked to present on a separate track from the rest of the operating budget by the Governor's Office. He noted that an ad hoc faculty group had exhaustively analyzed and summarized the faculty compensation problem with very commendable responsibility and restraint. He continued that the Central Administration recommendation is, generally speaking, an endorsement of the faculty proposal.

President Weaver stated the compensation problems were viewed in at least four basic contexts:

- a. How to cope with inflation in as equitable and fair a manner as possible.
- b. Consider the problem in a manner designed to give realistic protection to real income during an inflationary period.
- c. An attempt to seek means to maintain the absolutely essential ability of our institutions to recognize and reward individual merit and performance beyond our efforts to relate more directly to inflationary crises.
- d. An attempt to see what could be done to improve retirement conditions and some modest protection of those of our former employees who are now on retirement.

President Weaver stated that, in terms of real salary income, since 1967-68, U. S. Government employees fared best with an increase of 20.4%; U. S. per capita personal income was up 19.4%; Wisconsin per capita personal income was up 18%; public school teachers up 17.9%; and UW classified employees up 9.6%. He then noted that the University of Wisconsin faculty real salary income is minus 7.4%.

Senior Vice President Percy reviewed the budget document in some detail, pointing out that the total increase, separate from the building budget, was approximately \$171.3 million for the biennium. He noted that requests from all state agencies were an increase of just under one billion dollars; and that, while we represent 20-25% of the state's current resources, our \$171 million increase is a percentage of about 17%, or under what might be called our fair share.

He noted the budget does not include provision for 10,000 classified employees or executive pay plan designees. Recommendations for their compensation increases originate with the Department of Administration. Senior Vice President Percy stated that, during the appearance before the Joint Finance Committee last January, we appealed for a cost-of-living adjustment for the faculty and were unsuccessful. One of the arguments given was that we did have a reasonable case, but that there was a real question of whether or not the money would still be in the till. It was learned later that there was over a \$200 million surplus in the first year, and a projection of \$100 million for this year. He continued that this grates on the faculty and administrators, when it turns out that we are denied and then find surpluses there because of the erosion of the income to our staff.

He stated that the need to recognize individual excellence and professional performance and productivity, i.e. merit, is absolutely essential; and he urged that the Board go on record as maintaining that a strong merit reward is of critical importance for the fulfillment of our mission. Senior Vice President Percy stated that, during any period during the past three decades, the faculty has consistently been behind other public employees in the reward granted by the State for their services and in recognition of their performance. He continued that we do not consider ourselves comparable, either in any elitist sense or in any other way, to other state employees. We do have a different mission and a different responsibility and different expectations. However, we think the public policy, at a minimum, ought not to discriminate in a negative way against our faculty and academic staff.

Senior Vice President Percy stated that faculty compensation is obviously priority item number one, and that he was hopeful the Governor will respect all of the priorities identified by the Board. He continued that to now ask us to develop priorities within the faculty compensation proposal is not fair, and that there are no trade offs and there are no alternatives. He stated it remains for the State to exercise its responsibility in determining what resources or what share of its resources will come to the University.

Senior Vice Presidents Percy and Smith responded to questions posed by members of the Board.

Professor Morton Rothstein spoke in behalf of the Ad Hoc Committee and also as Chairman of the Madison Faculty Council designated by faculty governance. He expressed appreciation for the access to the material available to the Central Administration and stated that Central Administration had worked responsibly with the Ad Hoc Committee. He stated he was appreciative of the Board's concern about priorities, noting the action that had been taken on the non-salary budget in regard to faculty improvement programs and for the support of the improvement in retirement which is essential if there is going to be the possibility of preserving an early retirement option as a viable option for faculty members, which it currently is not.

He stated the ad hoc committee is asking for the restoration of a full merit increase as it grows increasingly sensitive to the very real possibility of price controls being started once more. He stated that he wished to call to the attention of the Board the fact that the cookie jar is full and some say overflowing, most of which came out of the hides of not just faculty members, but all state employees.

Professor W. F. Mueller, UW-Madison, Chairman of the Ad Hoc Salary Subcommittee, stated it was believed a persuasive case could be made for a much larger salary increase than that recommended by the Ad Hoc Coordinating Committee. He stated the Committee's recommendation was tempered by State fiscal considerations and the realization that the nation is experiencing severe economic difficulties. He continued that he wished to emphasize the modest nature of the request.

The 12% restoration figure for 1975-76 will only bring the real salary income to the level enjoyed in fiscal 1972-73 and foregoes entirely any real salary increase for 1973-75 as well as any adjustment for the preceding six years, 1967-73, when the faculty enjoyed no significant increase in real income in contrast to most other segments of the economy. He continued it results in the fact that real salary income will be about 15% lower in relative terms than per capita income in the State of Wisconsin and in the nation generally.

He continued that our projections as to the rate of inflation will prove unduly conservative. He noted we projected a 10% inflation rate, whereas the rate will more likely be 11% or more. He noted the inflation rate during the first quarter of this fiscal year was 14.7% and during the first four months of this year the rate of inflation has been 4.2%, which means that already 75% of the 5.5% merit increase allocated for the current fiscal year will have been eroded. Professor Mueller expressed concern that Central Administration's proposed wage package will leave the faculty without any significant increase should wage and price controls be imposed. There is a real possibility of this, as Senior Vice President Percy mentioned and as Central Administration actually assumes in their report. He continued that such controls, should they be imposed, were feared to be susceptible to interpretations whereby the faculty would get only the 4% merit that is being proposed by the Central Administration package, since almost certainly the wage control system would not approve a cost-of-living escalator of any type. He therefore requested that the Board accept

the Ad Hoc Committee's proposal, which is not packaged as a cost-of-living adjustment and which would permit an increase equal to whatever wage package we were permitted under the controls. He continued that it was also requested that the merit adjustment in the second year be increased to at least the 6% recommended by the Ad Hoc Committee and perhaps higher.

In response to a question by Regent Neshek, Professor Mueller stated that, speaking for himself, he would support the proposition that 50% of whatever percentage we do get as a salary increase should be used for merit.

Dr. Edward Muzik representing TAUWF stated that he was very appreciative of the Committee effort and noted that he was the last of the Committee to agree to the restraint which the Committee showed and to which President Weaver referred. He stated he believed the committee would be justified in asking for a much larger amount. He noted the Governor has said that no one is going to be harmless from the effect of inflation, and the question in his mind is how much harm we should permit ourselves to agree to in advance. He said we have agreed, in accepting the 18% increase figure, to accepting a great deal of harmful effects on the part of the inflationary pressures.

He pointed out that economic projections in the past have been wrong, and that faculty members need the protection of an automatic cost-of-living escalator clause. He stated that the forecasting errors are doubly injurious for those who get into a biennial operating budget. He noted that substantial numbers of faculty members are now looking for second jobs, consulting work, summer jobs, or any other source of a second income. He stated the faculty is being literally forced out of the University by the impact of inflation.

Regent DeBardleben inquired as to what percentage of the total package ought to be allocated to merit increases in view of the believed imminence of wage and price controls. Dr. Muzik responded that merit should be at least 1/3 of the total, or 6%. Senior Vice President Percy stated that he assumed that we have the flexibility to come back to the Board or, if there isn't time to do that, at least to the Executive Committee of the Board and change some of the categories, because he did not want to see us caught in the semantics involved in cost-of-living guidelines.

Professor Eric Schenker, UW-Milwaukee, stated that the request is reasonable and will not cause us to lose in terms of our credibility. He noted the latest statistics from the U.S. Department of Labor, relating to wage and benefit gains in contracts covering 5,000 workers or more, average 10.1% for the first year and 7.5% annually for the life of the contract, not including possible gains under cost-of-living escalator. He noted the package is very reasonable when food costs have increased 32% more than two years ago, fuel is up 42%; and that the cost-of-living figures are misleading, because they do not include quality. He also noted that the fringe package that the State is talking about would require the faculty to pay another 2%, which would mean that the faculty's real income would be down by another 2%. He stated a reasonable faculty compensation package is necessary because obviously the morale of the faculty is at stake; and if you are going to have a high quality institution, obviously the

morale of the faculty has to be high. He also stated that, whatever action is taken, he hopes it is made clear to everybody that the faculty salary compensation package is the first priority.

Professor Jerry Culver, President of TAUWF, agreed with Dr. Muzik that morale is low because of the alarming salary situation. He noted that 30-40% of the faculty is employed in the summer, and that the balance of the faculty must moonlight in order to get through the summer. He stated that he was strongly in favor of merit increases, but pointed out that the Faculty Senate at LaCrosse passed a resolution to the effect that, until you can supply the faculty with enough money to meet the cost of living, don't ask us to assign merit pay. He also urged, as a policy matter, that favorable action be taken on encouragement for early retirement and a plan for giving a cost-of-living adjustment to those who are already retired.

Professor Ted Finman, representing the UW System Faculty Council, stated that he agreed with the other faculty representatives on the question of the amount that should be included for merit--6% in each year of the biennium as proposed by the faculty ad hoc group. He stated that he could see no reason why the Board should not pass proposals which are greater than the faculty proposal, if they in fact think that is sound. Professor Finman stated that the amount actually available for merit increases during the past biennium was used to supply cost-of-living increases and very little had been made available for merit; and that a 6% increase was needed to make up for that.

He noted that some people ask how can the faculty seek such substantial increases in light of the country's great economic problem and in light of the fact that so many other people in society are worse off than the faculty. He indicated what they really are saying is that, in some sense, faculty ought to, on a voluntary basis, forego requests in order to help out the country. He continued that the faculty is as willing as any other group in our society to bear its fair share of the burden of correcting the problems and difficulties we find ourselves in; and that, if the figures are looked at closely, it will be found that, over the past year, the faculty has borne more than its share, if you measure that by looking at what happened to its salary relative to those of others.

He noted that, during the period 1972-74, faculty real income declined by 5.7% versus a decline of 3.5% for the Wisconsin per capita income and a decline of 3% for national per capita income. Thus, the faculty has experienced almost twice the decline in real income than has been experienced over the nation as a whole. He also noted that it would be unfair to request the faculty to take a reduction on a voluntary basis when by so doing there is no assurance whatsoever that anybody else will forego their requests.

Professor James Bower stated that he had been asked by Professor Parsons, President of the Wisconsin Conference of the American Association of University Professors, to express the support of the AAUP for the Administration's proposal. He stated the proposals are really bare-bones proposals and certainly ones that the Association can support.

Professor Michael Bleicher spoke as a representative of the American Federation of Teachers, United Faculty of the Madison Campus, and other chapters across the state. He stated that he felt the requests are too moderate and that we are asking for much less than is really required under the circumstances. He stated that a catch-up inflation factor of 15-20% is completely justifiable, and that the University is losing much of the teaching, research power, and dedication of the faculty because many members of the faculty are seeking outside employment.

He continued that, in addition, we need a cost-of-living factor in the future which keeps the faculty from slipping back into the present unfortunate position. He stated the cost-of-living factor should be calculated every three months, as it is impossible for the Board, over any period of time, to accurately predict how the cost of living will rise. The only fair way to do this is to have an automatic cost-of-living clause every three months. He stated, as costs go up, the State sales tax goes up at least as fast as the cost of inflation; and therefore, there would be no additional burden to the State to have a cost-of-living clause for its employees.

Professor Bleicher said it is unfair of the State to expect employees of the state, either faculty or classified or any other category, to bear the brunt of inflation. He said that, in addition, we need merit to maintain quality; and that we have not had merit increases in any true sense of the word for a long time. Professor Bleicher stated there is no money available in our budget for cost increases due to promotions; and that, when a colleague is promoted, it has to come out of the merit money.

Ms. Eileen Over spoke as the representative of the Teaching Assistants Association. She requested that the Teaching Assistants be considered as a group separate from the faculty when recommendations for pay raises are considered. She noted that TA's have really been hit by the high cost of food, due to the fact that they are on low fixed incomes. She stated the purchasing power of the faculty has decreased, but that the purchasing power of a TA has decreased even more. She stated that TA's are being faced more and more with going to Dane County Social Services to ask for food stamps.

Ms. Over stated that the taxpayers' dollar is wisely spent on TA's, as they spend a greater percentage of their time leading discussion sections, have more personal contact, and give more individual attention to students to develop a quality education. She stated, for this reason, the TA's were asking that the Board consider them as a group separate from the faculty; and that they should have a higher percentage increase than the faculty.

Chancellor Leonard Haas spoke as the representative of the Council of Chancellors. He stated they were grateful for the opportunity for input in the Coordinating Committee and the programs that have been developed by Central Administration. He commended the proposal before the Board, stating that he believed that it is a proposal that minimally meets the needs in this coming biennium.

Regent Neshek moved adoption of the resolution relating to the 1975-77 Faculty/Academic Staff Compensation Proposal (EXHIBIT B attached), and the motion was seconded by Regent Sandin.

Regent Williams stated that she was in favor of this resolution but felt we have to be realistic about the economic facts; and that, in addition to our not being able to be clairvoyant about the impact of inflation and the cost of everything and how it affects income, we are also not able to be clairvoyant about the amount of revenue to our state. She continued that it is very possible that, if current trends continue, that amount of revenue will be down in the next year. She continued that she felt we ought to face this as a possibility and be prepared for those kinds of arguments in the Legislature.

Regent DeBardleben noted that he has a daughter who is a teaching assistant; and that, therefore, when the question is put on the matter of TA compensation, he be recorded as not voting on that portion of the resolution. Regent DeBardleben stated that he felt paragraph 4. of the proposed resolution is unwise in that it could lead to the conclusion on the part of persons outside of the University that we are merely trying to get the whole faculty compensation package in such a way as to exempt us from wage controls, and it might compromise the entire matter.

President Pelisek stated that, during the last biennium, due to the lag in the approval of the biennial budget and the imposition of federal wage and price controls, we found ourselves in an extremely difficult position vis-a-vis our faculty; and that it was the intent of this paragraph to provide flexibility to avoid the very, very unpleasant circumstances that we met in the last biennium. He urged that flexibility be retained in the resolution. Regent DeBardleben stated that he knew the problem, but that he would hate to see its purpose defeated because we have adopted a resolution that is so flexible that it appears that we do not have any conviction at all, and that we are trying to evade the regulations. He stated he was not opposed to the end that we are attempting to achieve, but questioned the means by which we are going about it.

Senior Vice President Percy stated that the problem is not so much merit versus the cost of living. He stated that we could get regulations that say salary increases are possible if they reflect promotional, maturation, any number of terms that people invent, all of which we assume under merit. He said that we take merit, as a number of speakers pointed out, to include promotion, maturation, and meritorious performance.

Regent DeBardleben stated that he was impressed by the great amount of study that had gone into the matter by both the faculty and the administration, but that he was of the opinion that the recommendation of the administration and the committee are too conservative.

Regent DeBardleben moved that the annual merit adjustments be increased from 4% to 6% for 1975-76 and from 5% to 6% for 1976-77, and the motion was seconded by Regent Lavine.

Regent Lavine stated that some State employees get automatic merit increases, but the fact is not publicized. He pointed out that merit increases are recognized in the public and private sector, and that it is doubly important in the situation where you have the kind of leadership that you must have in a university. He stated he was hopeful that President Weaver and Senior Vice President Percy will not mind an amendment of their policy on this particular matter.

President Weaver responded that, when the recommendations were put together, the System administration and the faculty Ad Hoc Committee were desperately conscious of the very difficult forces that play on all of us. He noted that, from one side, the state claims great fiscal emergency and calls for maximum restraint on the part of its agencies and employees; but on the other hand, we realize that the need clearly could be substantiated beyond the very basic recommendation laid before the Regents today. He stated there is a need for leadership in the intellectual society at the present time that is inadequately understood and inadequately supported. He continued that he was sure the administrative officers and the faculty would greatly applaud the willingness of the Regents to follow Regent DeBardeleben's amendment to Central Administration's initial recommendation.

In response to President Pelisek's question, Senior Vice President Percy stated that the biennial cost of the adjustment would be approximately \$11.6 million, with about \$10 million of that coming from GPR and the balance of \$1.6 million coming from student fees.

Regent Renk stated that he felt it was unrealistic to consider the package we have been discussing here today, when the people in this nation are facing inflation and recession; and that it is difficult to justify a 17% increase for 1975-76 and a 13% for 1976-77, which with the amendment results in an increase of \$116 million. He noted that unemployment is increasing and that the farmers in the State are losing money on their hogs, cattle, poultry, and milk, besides facing a disastrous freeze that seriously harmed the most important feed crop, corn. Regent Renk stated that he disapproved of the tuition reduction proposal, and that an increase in salaries such as proposed is unrealistic and it must be cut back.

Regent Renk moved to amend the overall percentage increase for 1975-76 to 11% and for 1976-77 to 8%. The motion failed for lack of a second.

Regent Kopp stated that he believed the most difficult of the three categories to sell to the Legislature will be the merit proposal. He continued that he did not mean that he was not in full sympathy with it, looking at it from the viewpoint of the academic community--he was very much in favor of it. He pointed out that those who are entitled to merit increases and those who are not have suffered equally from the standpoint of inflation; and if we are only going to relieve those that do exceptional jobs, this is going to be an element that the Legislature is going to consider. He continued that he believed the increase would be easier to sell in the other categories.

Regent Sandin stated that we are not responsible for deciding how the Legislature is going to allocate funds; and if there is an overage, how that is to be spent. She said that, if we do not speak up in the form of our budget, you can be certain that nobody else is going to do it for us. For that reason, she intended to support the amendment.

Regent Dixon stated he felt the present percentages are tenable inasmuch as they are not as high as the original ones suggested in some quarters. He stated he agreed with Regent DeBardleben on the fact that the merit adjustments are very low and he would be in favor of placing the merit adjustment at the 6% figure for both years and removing the special adjustment so that the total would be 17% for the first year and an increase of 1% for 1976-77.

Regent Lavine stated that, if we do not get all the money requested, we are making the policy statement here relative to our first priority. He continued that he felt comfortable in accepting the package because it is a good policy and he was willing to give up some of the other things if it is necessary.

Regent DeBardleben stated that, in response to Regent Renk's remarks, he did not feel we are going to solve problems now by taking a negative response to meeting a crisis by creating another. He stated he was asking that we take a positive approach to the problem of economic collapse that we now face, social upheaval that we now face; and that we not exacerbate them by continuing the conditions that exist. He noted we now have faculty positions within the System which cannot be filled with faculty of the quality comparable to the faculty we now have, because we are not able to pay on a merit basis what the kind of outstanding faculty we are trying to recruit are going to accept.

The question was put on the proposed amendment, and it failed on a roll call vote, with Regents DeBardleben, Lavine, Pelisek, Sandin, and Zancanaro voting "Aye" (5), with Regents Barkla, Dixon, Fish, Hales, Kopp, Neshek, Renk, and Williams voting "No" (8), and with Regents McNamara, Solberg, and Thompson absent (3).

Regent Fish stated that he concurred completely with Regent DeBardleben's assessment that the addition of item 4. did not serve any need. He stated that, if the situation arises in which we must make judgment, the Board will support the Executive Committee and Central Administration in making those alterations that ought to be made. He stated he would also concur that it would appear that we are trying to exclude the faculty from any strictures that federal wage and salary controls might impose; and he stated he was not persuaded that we are going to have them.

Regent Fish moved that paragraph 4. of the proposed resolution, relating to conformance with federal guidelines, be deleted, and the motion was seconded by Regent Kopp.

The amendment was approved on a roll call vote, with Regents DeBardleben, Dixon, Fish, Hales, Kopp, Lavine, Pelisek, Renk, and Williams voting "Aye" (9), with Regents Barkla, Neshek, Sandin, and Zancanaro voting "No" (4), and with Regents McNamara, Solberg, and Thompson absent (3).

Regent Fish stated that he was uncomfortable with paragraph 2., which ties the faculty compensation package directly to the resident undergraduate fee reduction, and that he felt it weakens our case.

Regent Fish moved that paragraph 2. of the proposed resolution, providing that adjustments be accomplished without an increase in resident undergraduate fee charges, be stricken, and the motion was seconded by Regent Kopp.

Regent Fish stated that some of the members of the Board that strongly support a strong faculty compensation package do not support a resident undergraduate fee reduction, and it places them in an uncomfortable position by tying the faculty compensation package to the resident undergraduate fee charge re-statement.

Regent DeBardeleben stated he objected to paragraph 2. on the basis that it may be construed as meaning that our faculty compensation recommendation is conditional on the previous action on resident fee charges. He stated that his support of the faculty compensation package is not conditioned on anything in relation to student tuition or fees. He reiterated that the faculty compensation package is the highest priority; and if it is the highest priority, it should not be conditioned on anything.

Regent Lavine stated that he would support the motion because the matters are separate and the Legislature will consider them so; but that he wanted it understood that, when he supported the resolution, he was not lessening his support for the reduction in student fees.

President Weaver stated that he agreed that paragraph 2. should be stricken inasmuch as it is a fact that the other policy has already been established and that the two do not have to be tied together.

The question was put on the amendment to delete paragraph 2., and it was voted unanimously.

The question was put on the amended Resolution 897 (EXHIBIT C attached), and it was voted on a roll call vote, with Regents Barkla, DeBardeleben, Dixon, Fish, Hales, Kopp, Lavine, Neshek, Pelisek, Sandin, Williams, and Zancanaro voting "Aye" (12), with Regent Renk voting "No" (1), and with Regents McNamara, Solberg, and Thompson absent (3). Regent DeBardeleben abstained from voting on the portion of the resolution relating to Teaching Assistant compensation.

The meeting adjourned at 12:25 P.M.

J. S. Holt, Secretary

RETIREMENT RESOLUTION 896:

WHEREAS, S. Edward Horkan has, with great distinction and personal sacrifice, served the University of Wisconsin for 36 years and the University of Wisconsin System for the three years since its creation, for a total of 39 years of distinguished service,

WHEREAS, S. Edward Horkan is senior in terms of years among the ranks of officers now serving the University System,

WHEREAS, for over two decades the integrity and accuracy of the various budgetary requests and documents of the University and University System have been largely due to S. Edward Horkan who enjoys a singular reputation for reliability among his colleagues and state agency officials, and

WHEREAS, S. Edward Horkan has consistently given of himself above and beyond the call of duty and has demonstrated outstanding performance and loyalty to the institutions of higher education which he has served,

BE IT THEREFORE RESOLVED THAT THE BOARD OF REGENTS, THE PRESIDENT AND CENTRAL STAFF OF THE UNIVERSITY OF WISCONSIN SYSTEM DO EXPRESS THEIR UTMOST APPRECIATION AND PRAISE TO S. EDWARD HORKAN FOR A JOB EXCEEDINGLY WELL DONE, AND

THE BOARD OF REGENTS, UPON RECOMMENDATION OF THE PRESIDENT OF THE UNIVERSITY OF WISCONSIN SYSTEM, CONFERS UPON S. EDWARD HORKAN ON THE OCCASION OF HIS RETIREMENT ADVANCEMENT TO THE TITLE AND STATUS OF VICE PRESIDENT-EMERITUS.

EXHIBIT A

1975-77 Faculty/Academic Staff
Compensation Proposal

REPORT OF THE PRESIDENT OF THE SYSTEM

Whereas, the University of Wisconsin System's faculty and academic staff have suffered substantial losses of real income as severe inflation outpaces the modest compensation adjustments approved for the 1973-75 biennium,

Whereas, the academic missions of System institutions depend upon recognition of excellence and productivity in individual performance through meaningful merit increases undergirded by an automatic formula for full cost-of-living adjustment,

Whereas, faculty and academic staff compensation adjustment percentages and real income changes in recent biennia have been noticeably less than the more enlightened provisions made for other state employees,

Whereas, in the past various basic fringe benefit improvements have been granted to faculty and academic staff anywhere from one to four years after being granted to all other state employees, and

Whereas, the personal needs of active and retired employees as well as the program needs of the University of Wisconsin System require basic improvements in retirement conditions:

BE IT THEREFORE RESOLVED:

1. That Biennial Operating Budget Policy Paper #10, containing recommendations for faculty and academic staff cost-of-living adjustments, annual merit adjustments, and post-retirement benefit adjustments be approved and communicated along with this resolution to the Governor and appropriate committees of the Legislature.
2. That, in line with previous Regent budget policy recommendations, these essential adjustments be accomplished without an increase in resident undergraduate fee charges.
3. That the State be urged to discontinue the past practice of allowing basic fringe benefit and cost-of-living changes for less than the full range of its employees.
4. That subsequent budget review officials be urged to consult with the Central Administration in case Federal wage and salary controls are imposed or other conditions change and that Central Administration be authorized to reclassify components of the compensation proposal to sustain the Board's overall recommendations in conformance with Federal guidelines and allowances or as changed conditions may require.

EXHIBIT B

REPORT OF THE PRESIDENT OF THE SYSTEM

Resolution 897:

Whereas, the University of Wisconsin System's faculty and academic staff have suffered substantial losses of real income as severe inflation outpaces the modest compensation adjustments approved for the 1973-75 biennium,

Whereas, the academic missions of System institutions depend upon recognition of excellence and productivity in individual performance through meaningful merit increases undergirded by an automatic formula for full cost-of-living adjustment,

Whereas, faculty and academic staff compensation adjustment percentages and real income changes in recent biennia have been noticeably less than the more enlightened provisions made for other state employees,

Whereas, in the past various basic fringe benefit improvements have been granted to faculty and academic staff anywhere from one to four years after being granted to all other state employees, and

Whereas, the personal needs of active and retired employees as well as the program needs of the University of Wisconsin System require basic improvements in retirement conditions:

BE IT THEREFORE RESOLVED:

1. That Biennial Operating Budget Policy Paper #10, (copy on file with the papers of this meeting) containing recommendations for faculty and academic staff cost-of-living adjustments, annual merit adjustments, and post-retirement benefit adjustments, be approved and communicated along with this resolution to the Governor and appropriate committees of the Legislature.
2. That the State be urged to discontinue the past practice of allowing basic fringe benefit and cost-of-living changes for less than the full range of its employees.

EXHIBIT C

SUMMARY MINUTES OF THE SPECIAL MEETING
of the
BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Madison, Wisconsin

November 22, 1974

This is a summary of the major actions taken by the Board of Regents of the University of Wisconsin System on the above date. Full minutes of the meeting will be available within a month at the main library or archives on each campus of the University System and at the Legislative Reference Bureau of the State Capitol.

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SUMMARY MINUTES OF THE SPECIAL MEETING
of the
BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Madison, Wisconsin

Held in the Clarke Smith Room, 1820 Van Hise Hall
Friday, November 22, 1974, 9:35 A.M.

President Pelisek presiding.

PRESENT: Regents Barkla, DeBardleben, Dixon, Fish, Hales, Kopp, Lavine,
Neshek, Pelisek, Renk, Sandin, Williams, and Zancanaro.

ABSENT: Regents McNamara, Solberg, and Thompson.

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A. REPORT OF THE PRESIDENT OF THE SYSTEM

President Pelisek stated this is a special meeting of the Board called for the specific purpose of discussing Biennial Operating Budget Policy Paper #10.0, Faculty/Academic Compensation Proposals.

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1. President Pelisek recognized President Weaver for the purpose of making a presentation.

President Weaver stated that S. Edward Horkan has been a budget builder and analyzer for a very long time and with a very, very high level of professional expertise and exactitude. President Weaver stated that Mr. Horkan now wishes to retire, and it is with great regret that we see him do so.

President Pelisek moved adoption of Resolution 896, relating to the retirement of S. Edward Horkan (EXHIBIT A attached), the motion was seconded by Regent Lavine, and it was voted unanimously.

President Weaver presented to Mr. Horkan a Presidential Citation For Distinguished Service, which reads as follows: "In a career of 39 years of distinguished University service, Edward Horkan gained a singular reputation for integrity, accuracy and reliability in a pursuit that demanded such attributes in ever-increasing shares.

"His intimate knowledge of the budgetary process has made his name legendary.

"Both in years of service and in measure of devotion, he was the senior officer of the University of Wisconsin System. His personal sacrifice and demonstrated loyalty to the institution he served earned him the greatest admiration and deep respect of all his colleagues.

"Therefore, in testimony to his professional skill and personal dedication, it is with pride that I, in behalf of the University of Wisconsin System, confer upon S. Edward Horkan this Presidential Citation for Distinguished University Service."

2. President Weaver referred to the Biennial Operating Budget Policy Paper #10.0, relating to the 1975-77 Faculty/Academic Staff Compensation Proposal. President Weaver noted that an ad hoc faculty group had exhaustively analyzed and summarized the faculty compensation problem with very commendable responsibility and restraint. President Weaver continued that the Central Administration recommendation is generally speaking an endorsement of the faculty proposal. President Weaver continued that the compensation problems were viewed in at least four basic contexts:

- a. How to cope with inflation in as equitable and fair a manner as possible.
- b. Consider the problem in a manner designed to give realistic protection to real income during an inflationary period.
- c. An attempt to seek means to maintain the absolutely essential ability of our institutions to recognize and reward individual merit and performance beyond our efforts to relate more directly to inflationary crises.
- d. An attempt to see what could be done to improve retirement conditions and some modest protection of those of our former employees who are now on retirement.

President Weaver stated that, in terms of real salary income, U. S. Government employees fared best with an increase of 20.4%; U. S. per capita personal income was up 19.4%; Wisconsin per capita personal income was up 18%; public school teachers up 17.9%, and UW classified employees up 9.6%. He then noted that the UW faculty is at a minus 7.4%.

Senior Vice President Percy reviewed the budget document in some detail, pointing out that the total increase, separate from the building budget, was approximately \$171.3 million for the biennium. He noted that requests from all state agencies were an increase of just under one billion dollars; and that, while we represent 20-25% of the state's current resources, our \$171 million increase is a percentage of about 17%, or under what might be called our fair share.

Presentations relative to the matter were made by the following:

Professor Morton Rothstein, Chairman of the Ad Hoc Committee
Professor W. F. Mueller, UW-Madison, Chairman of the Salary
Subcommittee

Dr. Edward Muzik, TAUWF

Professor Eric Schenker, UW-Milwaukee

President Jerry Culver, TAUWF

Professor Ted Finman, UW-Madison, UW System Faculty Council

Professor James Bower, President of the Wisconsin Conference
of AAUP

Professor Michael Bleicher, UW-Madison, representative of the
American Federation of Teachers, the United Faculty of the
Madison Campus, and other chapters across the state.

Ms. Eileen Over, representing the Teaching Assistants Association

Chancellor Leonard Haas, representing the Council of Chancellors

Regent Neshek moved adoption of the resolution relating to the 1975-77 Faculty/Academic Staff Compensation Proposal (EXHIBIT B attached), and the motion was seconded by Regent Sandin.

After considerable discussion, Regent DeBardleben moved that the annual merit adjustments be increased from 4% to 6% for 1975-76 and from 5% to 6% for 1976-77, and the motion was seconded by Regent Lavine.

Regent Renk's proposed amendment that the overall percentage for 1975-76 be 11% and for 1976-77 be 8% failed for lack of a second.

After discussion of the proposed amendment, it failed on a roll call vote, with Regents DeBardleben, Lavine, Pelisek, Sandin, and Zancanaro voting "Aye" (5), with Regents Barkla, Dixon, Fish, Hales, Kopp, Neshek, Renk, and Williams voting "No" (8), and with Regents McNamara, Solberg, and Thompson absent (3).

Regent Fish stated that he did not believe that paragraph 4., relating to conformance with federal guidelines, was essential; and he moved that it be stricken from the resolution. The motion was seconded by Regent Kopp.

The amendment was approved on a roll call vote, with Regents DeBardleben, Dixon, Fish, Hales, Kopp, Lavine, Pelisek, Renk, and Williams voting "Aye" (9), with Regents Barkla, Neshek, Sandin, and Zancanaro voting "No" (4), and with Regents McNamara, Solberg, and Thompson absent (3).

Regent Fish stated that he felt uncomfortable with paragraph 2. of the proposed resolution, providing that the adjustments be accomplished without an increase in resident undergraduate fee charges; and he moved that the paragraph be stricken, the motion was seconded by Regent Kopp, and it was voted unanimously.

The question was put on the amended Resolution 897 (EXHIBIT C attached), and it was voted on a roll call vote, with Regents Barkla, DeBardleben, Dixon, Fish, Hales, Kopp, Lavine, Neshek, Pelisek, Sandin, Williams, and Zancanaro voting "Aye" (12), with Regent Renk voting "No" (1), and with Regents McNamara, Solberg, and Thompson absent (3).

The meeting adjourned at 12:25 P.M.

J. S. Holt, Secretary