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Compensation - Resolution at Special Board Meeting, urging Legislature to reopen budget process and/or increase student fees, in order to permit faculty/academic staff salary increases of 4% + 7%, respectively, in the next 2 years, R. 2863.

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

Monday, July 11, 1983

10:05 a.m.

4x ref - Faculty - same
4x ref - Budget - same
4x ref - Fees Academic - President Beckwith presiding - same
4x ref - Tuition - same

PRESENT: Regents Beckwith, Clusen, Conroy, Finlayson, Fish, Gerrard, Hanson, Heckrodt, Knowles, Lawton, Nikolay, O'Harrow and Veneman

ABSENT: Regents Grover, Schilling and Zirbel

Opening the special meeting, which was convened to consider the matter of faculty/academic staff compensation for the 1983-85 biennium and student fee/tuition levels as related to that topic, President Beckwith called on the System President for introductory comments.

President O'Neil made the following statement: "The issue before the Board this morning is a single one, but also a very critical one. A great deal has already been said about the case for increased faculty and staff compensation, and I don't think much more need be said today. In fact, at no time in recent weeks has any serious doubt been raised about the merit of that case. No one seems to question that under the DER pay plan proposal, for example, UW-Madison faculty salaries in all three ranks would drop to the bottom of the Big Ten by the end of the biennium. Nor has there been any question about the sincerity or the urgency of concerns raised across the System about faculty morale and the potentially devastating effect of having no salary increase for the first year of the biennium. The basic case has been made and understood, at least since the report of the System Working Group was presented to the Board in May, and the merits have not been seriously questioned since that time.

"Instead of simply stating the case for what should be done, I thought it might be more useful this morning if I took just a few moments to review several arguments of even sympathetic persons outside the university as to why, in their view, nothing can or should be done. First, some say it is too late. The factor of timing, it seems to me, might bear on some assessment of blame but is hardly a valid reason for not doing the right thing, even at a late date. Moreover, the apparent tardiness of this plea can easily be explained. Had we sought to raise this issue much earlier than we did through the Regents' request in May to the Secretary of Employment Relations, we would properly have been told we were out of

order. The state budget guidelines under which the biennial request was prepared specifically excluded any reference to compensation. State law requires that the first request for salary increases be submitted to the DER Secretary as we have always done, usually in June, but this year in May, under an expedited timetable. At no time during the biennial budget process was there any chance to appear and to argue the case for faculty and staff salaries, and had we sought such a hearing, we would presumably have been told the request was premature. Yet, when we finally do reach the merits of this critical portion of the budget, we are told by some that the appeal is too late. This is a curious process indeed, and the claim that our request is untimely seems to me at least a bit unfair.

"Second, it has been suggested that a university which fared so well in the operating budget should not now ask for more for salaries. There is no question that we were well-treated in the Governor's budget, a much higher percentage of the Regent request being approved than at any time in recent years. Most of the expenditure authority survived the legislative process, although in the end almost half the increases will be funded from student fees, with the other half funded from state appropriations. This mix, of course, results in part from the Regent recommendation that student fee revenue freed up by GPR restorations be used in this way and also is the result of decisions made by Joint Finance to shift the library and instructional funding from GPR wholly over to student fees. The precise figures are not important at the moment. My reason for citing this experience is simply to put in context the claim that we should now be silent because we have been well-treated in another respect.

"A third argument is that all state employees must be treated alike, and that any differential would jeopardize collective bargaining negotiations. Some years ago, I am told, classified employees typically fared better than did faculty and academic staff, and the coupling of the two groups was therefore beneficial rather than detrimental. Surely that experience does not now argue for holding back faculty salaries when a critical threat appears. If anything, it suggests an historic desire to make sure that faculty were at least not disadvantaged by the comparison between groups and by the bargaining process. Beyond this history, there is now a critical need facing our faculties which is simply different from that which faces other sectors of state employment. As one who has a deep professional commitment to the interests of public workers—and in fact several years ago wrote the American Civil Liberties Union handbook on the rights of government employees—I could hardly disparage claims of my colleagues in other agencies or sectors. But I do not sense in what they have said, or what has been said at the bargaining table, a logical or compelling case for identical treatment of all who happen to work for the state. Indeed, Governor Earl very forcefully and sensitively recognized the case for some differentiation when he proposed the Faculty Recognition Fund and then pressed for its retention through the legislative process. There may well be times when certain governmental groups need special treatment. That is clearly the case today with respect to the judiciary, and as an attorney, I am delighted to see that a long-standing need in that regard is being addressed. A comparable case, I think, can be and has been made for university faculties, and it is a case that urgently deserves special consideration.

"These, then, are the major arguments that we have heard against doing anything beyond the proposal now before the Joint Committee on Employment Relations. If the Board is persuaded that something must be done, as I know you are, the remaining question is what might be done."

President O'Neil then called on Associate Vice President Gene Armn to review the options which had been identified. Referring to Table I of the document regarding ways to supplement the pay plan (EXHIBIT A), Mr. Armn explained that the Department of Employment Relations' proposal, which would provide no increase in salaries for the first year and 3.84% in the second year, would require an overall average fee increase of 6.1% in the first year and 8.8% more in the second year. In 1983-84, the doctoral cluster undergraduate resident would pay \$71 more than the previous year, while the university cluster undergraduate resident would pay \$50 more. In the second year the adjustments would be \$94 and \$78 respectively. Recommended fees under the DER plan would amount to \$1,065 for undergraduate residents in the doctoral cluster and \$886 in the university cluster. The overall student contribution to the cost of the teaching mission, including nonresidents and graduate students, would be 30.5%-31% by 1984-85, with undergraduate residents paying 27%-28%.

Reviewing the matrix on page 3 of the report, he noted that both bi-level and tri-level fee structures were included in the alternatives. Alternatives A, B, C, and D were based on salary adjustments for faculty and academic staff of 4% in the first year of the biennium and 7% in the second year, as recommended by the Board in June. Alternatives A and B involved the standard GPR/fee split, while Alternatives C and D would require fee adjustments only. Alternatives E and F were based on fee adjustments half as large as in alternatives C and D, and would provide 2% in the first year and 5.5% in the second. Responding to the question of what could be done for faculty and academic staff within a ceiling of a 10% fee increase in each year, Alternative G allowed a 1.6% salary increase in the first year and 4.4% in the second. Alternatives H and J would supplement the Faculty Recognition Fund by \$2 million per year, utilizing a GPR/fee split in the case of H and fee adjustments only for J.

In response to a question by Regent Gerrard, Regent Beckwith indicated that provision of any additional general purpose revenues would require reopening the state budget process. Regent Hanson asked if the 7% figure for the second year took into account the 3.84% proposed by DER, and Mr. Armn responded in the affirmative. With respect to the Faculty Recognition Fund, which would provide \$500,000 in each year of the biennium, it was noted that Alternatives H and J would supplement this amount by \$2 million in the first year and an additional \$2 million in the second year. Regent Beckwith pointed out that, although the Board has authority to raise fees and tuition, the money could not be spent without the approval of the Joint Finance Committee, and salaries could not be increased without approval of the Joint Committee on Employment Relations and the Governor.

A question was raised by Regent Clusen as to whether a plan which increased fees and tuition only at doctoral institutions would result in limitation of salary increases to those campuses.

While such an alternative was not included in the prepared list, President Beckwith noted the Board could consider an option which would raise fees in the doctoral cluster only and reserve the additional funds generated for those institutions.

Turning to another aspect of the issue, Regent Clusen inquired about whether the alternatives represented a salary commitment beyond the coming biennium, to which Mr. Arnn responded in the affirmative and explained that none of the options envisioned one-time salary adjustments that would be removed at the end of the biennium. Regent Beckwith added that the increase must be built into the base to avoid the possibility of a salary reduction in 1985-86.

Replying to a question by Regent Knowles, Mr. Arnn affirmed that the retirement pickup was included in all the alternatives.

President Beckwith then called on five persons who had requested an opportunity to present statements to the Board.

Mr. Scott Bentley, President of the United Council of UW Student Governments, stated that although students realized that faculty compensation must be enhanced in order to maintain the exceptional quality of education in the UW System, United Council opposed the use of increased tuition and fees to achieve that objective. Instead, they felt tax funds should have been appropriated to properly reward faculty, since their service benefited all citizens of the state through education of its people, advances in research, and attraction of industry. To place on students the full burden of financing pay increases would be unfair and counterproductive, he stated, pointing out that reliance on this means of support would limit the broad access to education that has been a hallmark of the UW System and adding that even during difficult economic times the commitment to access must remain firm.

Responding to a question by Regent Heckrodt, Mr. Bentley indicated that, of the options under consideration, Alternative A was the only one United Council could support. He suggested that a greater proportion of that increase could be financed by GPR funds through deferral of some building projects.

Regent Finlayson asked for further comment on United Council's position in view of the fact that the percentage of cost borne by student fees in the UW System was lower than the percentage at similar universities in other states.

Given Wisconsin's historic commitment to holding down the cost of tuition and fees, Mr. Bentley thought it would be difficult to compare the UW System to institutions in states which lacked that tradition. He added that some other states had student regents, while Wisconsin did not.

The second speaker was Mr. Eddie Silent-Walker Hymes, who represented the UW-Milwaukee Student Association. He reported that the Student Senate had unanimously voted to oppose any type of fee or tuition increase, especially one levied as the sole means of raising salaries. To adopt such a proposal, they felt, would pit students against faculty and would also affect salary negotiations for unionized university employees, resulting in still greater fee increases. Noting that many UW-Milwaukee students relied on low fee levels and worked at part-time jobs in order to stay in school, he said that \$50-\$70 a semester meant a lot to such people. In conclusion, he expressed the view that faculty of state institutions were of high quality because they were motivated not by money but by dedication to teaching.

Speaking on behalf of the UW-Eau Claire Faculty Senate, Professor Harry Harder noted that, although the Senate had not met, the Executive Committee had conveyed through a letter appreciation and support for the proposal the Board had made to the Legislature. While most of the faculty at UW-Eau Claire would generally oppose increasing the percentage of cost borne by students, he said, the harsh reality was that the current fiscal crisis might require reexamination of the traditionally low student share. He thought that in normal times the faculty would support not only a level of 27%-28% for the next biennium, but also a return to the 25% rate. "Unfortunately, these are not ordinary times; they are extraordinary times. We feel, I think, very much like a drowning person, not going down for the third time, but for the tenth. We are in very deep water and we need help and we need it now." If tuition increases were used to finance salary improvements, he urged that some way be found to avoid having that solution used as a precedent in the future, since he did not think it would be good political strategy nor sound educational policy to tie fee/tuition increases to salary levels. It was important to note, he added, that the student share of costs was higher in most surrounding states.

Professor David Jowett, Chair of the UW-Green Bay University Committee, stated first that faculty on that campus considered the less costly alternatives to be unacceptable. While Alternative A would be acceptable, he thought that Alternatives B, C and D stood a better chance of state approval. With respect to Alternative D, he felt fee/tuition levels of \$1530 in the doctoral cluster and \$1274 in the university cluster would be much too high. He had received a letter from the UW-Green Bay student president expressing much the same sentiments as those stated by United Council: While they favored a salary increase, they did not want to be the ones to pay for it. "However, I have to transmit to you the opinion of my faculty. If the students must pay, my faculty feels that the students must pay. And we will then fight and fight again until we get this thing reversed."

Even with 4% and 7% increases, he thought the Board would need to take a more than ordinary interest in the way the money was distributed. Stating that it was very difficult to explain to the public that the issue was quality, not dollars and salaries, he emphasized that whatever money was obtained must be spent to insure that continuing quality, even if some individual professors were hurt in the process. He suggested in addition that consideration be given to a career salary structure for faculty.

Noting that VTAE instructors and public school teachers had annual steps for professional advancement, as well as negotiated salary increases, he commented that the absence of such an arrangement for faculty meant that junior faculty were facing a complete lack of career progression—they had seen none for the past five years, and they could foresee none for the next two years. One could not expect adequate performance from people who could anticipate no financial reward, he observed, stating that he felt for that reason alone 4% and 7% increases offered the only acceptable solution.

He disagreed with President O'Neil's statement that the university had fared well in the new biennial budget. The problem was, he said, that the Legislature had shifted to students the burden for funding many of the improvements, so that in the university cluster they were already facing fee increases of \$50 in the first year and an additional \$78 in the second year. Referring to a UW-Green Bay faculty resolution which called for resignation of the Regents if adequate salary increases were not obtained, he emphasized that the goal was to call for a symbolic action representing the conviction that quality, not money, was at issue, since the Board's charge was to maintain the quality of graduate and undergraduate education in the UW System.

Regent Gerrard pointed out that all the Board could do was make a recommendation which required approval by the Joint Committee on Employment Relations, the Joint Committee on Finance, and the Governor.

Stating that the faculty resolution was not meant to suggest hostility toward the Board, Professor Jowett added that, on the contrary, there was admiration for the Regents' diligence in pressing for salary increases.

Regent Clusen recalled that the previous month Professor Jowett had appeared before the Board on behalf of the Green Bay faculty to oppose collective bargaining legislation. Given the results of the faculty's most recent meeting, she wondered if their attitude on that question had changed.

Indicating that he did not believe it had, Professor Jowett noted that his testimony was directed against the present bill, rather than against collective bargaining per se, because the pending legislation did not provide adequate means of representation for the individual institutions in the university cluster. He hoped that UW-Green Bay faculty would be able to take the alternative route of developing a political action committee which would do for them in essence what a union would do, without sacrificing institutional independence.

The final speaker was Tim Lawless, Co-President of the UW-Madison Wisconsin Student Association, who supported the position of United Council that, if students had to pay for salary increases, Alternative A was the only acceptable option, inasmuch as it maintained the resident undergraduate share of cost at the 27%-28% level. Noting that his own resident fees had increased from \$432 to \$565 per semester in two years, he said it seemed that solutions to the state's economic problems all came at the expense of students. He did not think alternatives which moved the student share to 30% were feasible, since the Governor had stated his opposition to salary increases based on student fees, and a committee of the Legislature had indicated previously that a 30% rate was too high.

Regent Fish recalled that the Board had objected in the past to raising the percentage of cost paid by student fees, noting that some of the listed alternatives would require the Board to abandon its position in that regard. The point which concerned him was that the level of fees and tuition was an issue separate from salaries and therefore should not be considered in conjunction with salary increases. If fees and tuition were raised to increase salaries, he feared a precedent would be set for funding of salary increases through fees in the future. Another problem related to coupling faculty/academic staff salary increases to those given to classified employees, he continued, emphasizing that coupling with any other group should be avoided. Although he did not see how the budget could be reopened at this time, he thought that, if it were possible to do so, the Board should simply repeat its request for increases of 4% and 7%.

Given the probability that additional GPR could not be obtained to fund 4% and 7% increases, Regent Finlayson asked Regent Fish what alternative he would offer.

Stating that he would not support an alternative which funded salary increases exclusively with fee/tuition money, Regent Fish said that if such an option was accepted by the Legislature, it would pave the way for further increases in the student share of costs. If the Board's proposal was to be denied, he would rather be turned down on a request of 4% and 7% from GPR.

President Beckwith commented on the frustration experienced by those who attended the JCOER hearing the previous week. Having gone before the Joint Committee to discuss faculty/academic staff salaries, as directed by the statutes, they were told that it was too late, since the budget was already enacted. When \$67 million for salary increases in all state agencies was appropriated, he observed, the Regents had not been invited to appear, nor would they have been welcome at that point in the process. "We are faced with a concept of coupling. We are faced with a budget that is already enacted. We are faced with an angry faculty, and rightfully so. So we have to seek a painful, albeit a practical, solution."

Noting that it was first necessary to decide whether to request reopening of the budget or raising of fees, Regent Gerrard said he had spoken with legislators and others in state government, some of whom felt there was catching up to be done in the years to come. "We are in a crisis here but I think we have to be realistic. I do not think that there is any chance that the budget process would be reopened. If we want to try to do something, the only possibility I can see is a modest salary increase and a raise in tuition. If we go to something grandiose, we don't have a chance. There are three units of government that have to pass on this, and any one of them could kill it. But I think we owe it to the faculty to try."

Regent Lawton agreed that a crisis existed. While he recognized that increasing fees might be habit-forming, he thought the Board should make sure that did not occur. "Getting our tuition back where we want it should be a goal of this Board. There's no question in the world that raising tuition does affect access, and that is the last thing in the world we want to do. But we are between a rock and a hard place. We are weighing

quality and access." Rather than simply giving up, he said he would favor a very modest increase in tuition, coupled with the promise that everything possible would be done to reduce it in the future. Since there was no additional GPR money, he felt the Board should discuss the reality of how to maintain quality with a fee/tuition increase which would minimize harm to students. While the Board could reiterate to the Legislature and the Governor its view of what was needed in the way of salary increases, he thought such a statement should be combined with a proposal which would provide at least some salary money and which stood a chance of acceptance.

Pointing out that the present budget was based on fiscal estimates which were made more than two months ago, Regent Beckwith stated that, if the next estimates indicated that additional funds would be available, he would like to be on record as believing that faculty/academic staff salaries were the state's highest priority.

In response to a question by Regent Heckrodt, Regent Beckwith said that, while he considered the prospects for reopening the budget during the summer to be virtually nil, that was not to say that the Board should not be strongly on record in stating that 4% and 7% continued to be the absolute minimum, so that if fiscal estimates were changed in the future, the Regents would be in a position to make another effort. In that regard, he did not view restatement of the Board's position as an act of futility.

Regent Fish suggested that all alternatives which would utilize both GPR and fee increases be stricken, since it was believed that there would be no additional GPR funding at this time. If the budget could be reopened, he felt all funding for the increases should come from GPR.

Regent Beckwith remarked that Alternative J, which would augment the recognition fund, was a realistic option. Noting that it would provide several million dollars that could be used selectively to retain faculty and to remedy gross disparities during the biennium, he said he would not regard a fee/tuition increase of \$12-\$13 a year as unacceptable. Referring to the concern expressed by Regent Fish about the appropriate time to determine tuition levels, Regent Beckwith remarked that this was a time when the issue had to be considered and that, as a practical matter, it was not likely to be considered in the abstract. It was precisely in these kinds of circumstances, he observed, that governing boards in other states had to make such decisions. While he was not arguing for a tuition increase, he did not think the Board should assume that there was a magic fee/tuition number, either in terms of dollars or percentage. Noting that at System institutions in the fall there would be students from Minnesota paying \$1500 to take the same classes for which Wisconsin students would pay \$1065 under the DER proposal, he asked if it could be said with certainty that Wisconsin was right, while Minnesota and other states with higher fees were wrong.

As a result of the year's salary experience, he thought a number of issues were going to be studied in depth, including the whole question of having standard salary increases for all state employees and the process whereby the dollar figure for salaries was set in the state budget before detailed discussion of percentage increases could take place. In addition, he suggested that thought should be given to whether or not a tri-level system of fees might be desirable and to whether or not there should be greater differentials between the doctoral cluster and the university cluster.

In conclusion, he stated that he would have no difficulty with presenting Alternative A as a symbolic statement, but that he would then move reluctantly to Alternative J.

Regent Fish did not agree that fee levels were not likely to be considered in the abstract. Commenting that the students' share of costs had crept up over the years without it being suggested that there should be a direct relationship between tuition and faculty salaries, he stated that he saw every opportunity to review the fee schedule at any appropriate stage in the future. "The worst time to make a decision like this is when we are under the gun and when the impression in the Legislature is going to be simply that there is a great pool out there of 140,000 students and that we can tax "x" number of dollars, which will take care of faculty salaries. I'm opposed to that concept."

Regent Veneman did not believe the budget would be reopened. "So at this stage, considering all the circumstances, I don't see any other realistic way to assist the faculty compensation needs than to go the tuition route." Noting that this could be accomplished by a surcharge, he pointed out that such a solution would avoid the issue of permanency in a fee increase. He did not believe the Board should adopt a proposal which had no chance of acceptance in order to adhere to principle; rather, he felt that every avenue should be explored in order to find a solution.

Regent Fish thought there really were only three choices: to request that the entire increase be funded from GPR, which he believed would be denied; to ask for a split between GPR and tuition, which he felt was the worst alternative; or to propose a fee/tuition increase, which he also opposed.

In Regent Beckwith's view, if the Board asked the Legislature to reopen the budget in order to increase faculty salaries and at the same time to reduce the percentage of contribution by students, the chance for obtaining any increase would be eliminated. The whole question of increasing the student share, he noted, had been thoroughly considered in several legislative committee hearings. "They are sensitive to it. They do not like it any better than we do."

Regent Fish said his intent was to suggest that any increase beyond the Board's original request come from GPR.

Regent Gerrard inquired about the faculty attitude toward Alternative J, noting that it was the least costly option.

Regent Beckwith indicated that Alternative J would be difficult to administer, but probably no more difficult than the recognition fund which was included in the budget. In any enterprise, he added, there comes a time when it is necessary to put scarce resources in particular places in order to save certain parts of the organization.

In most decisions of that type in a business enterprise, Regent Veneman observed, the rest of the organization was not in such despair. "In my opinion, to take J and increase it two-fold or three-fold is not going to develop an equity situation for faculty because the faculty as a group needs assistance in compensation. It may put out some fires and save us some research grants if a few stay who might consider leaving. But that is not the solution to this problem."

Expressing agreement with Regent Veneman, Regent Heckrodt added that to ask the Legislature to enlarge the recognition fund in order to raise the general level of faculty compensation would send a very confusing message.

Regent Gerrard asked Regent Fish what he felt would be acceptable to state government.

Responding that he had spoken with many people about the matter, Regent Fish thought the odds of obtaining any increase which utilized additional GPR funds were extraordinarily remote. "Regent Beckwith brought up a good point, though, which is that, as the projections go along and as we get closer to the annual budget review, it is conceivable that there could be extra funds which would entail reopening of the budget and which would give us a new window." If the recommendation was to fund salary increases by fees and tuition only, he saw several problems: the impact of increased fees on denying access; lack of assurance that such a proposal would be approved by state government; the precedent of tying faculty salaries directly to tuition and fees; and the magnitude of a fee increase substantial enough to make a significant impact on faculty salaries.

With respect to Alternative J as it would affect access, Regent Beckwith remarked that he had received more than a dozen letters from parents of students expressing their concern about raising the grade-point average required for enrollment in engineering and lack of sufficient numbers of faculty in that discipline. Noting that there were ten open positions in electrical and computer engineering at UW-Madison, he pointed out that access was denied when there were not enough professors and when a 3.5 average was required to get into the junior and senior year in electrical and computer engineering. If the only way to hire replacement faculty in a competitive market was to have a fund available to the chancellor for wise use in paying the higher salaries needed to attract them, he did not see why the chancellor should be denied such a fund. "That is what Alternative J is all about, and that is what access is all about. It is not just getting in the door. It is staying in these institutions and not having to stay a fifth year in order to get the courses you require."

President O'Neil expressed the hope that agreement on a proposed solution could be reached, inasmuch as JCOER was anxious to hear what the Regents believed could be done. From the outset, he explained, the Committee had not questioned the critical nature of the problem. What they asked the previous week was how the Board would propose solving it, given current economic constraints and the lateness of time in the budget process. Noting that, of the \$67 million in the state salary pool, the amount earmarked for faculty/academic staff compensation was about \$14 million, he observed that without reopening the budget, any additional GPR would have to come at someone else's expense, a prospect which was very unlikely. He hoped the solution proposed by the Board would serve two purposes: to reflect further recognition of the undisputed need for more compensation, and to propose a solution that might have a chance of success in the short run.

With respect to whether Alternative J would create more problems than it would solve, he stated that the difficulties would be no greater than those inherent in the basic recognition fund. Indicating that some tentative judgments had been made about allocating that fund, he said the proposal was to divide it into two parts—one for promotions and the other to address critical problems in faculty recognition and retention. If the recognition fund were increased, as proposed in Alternatives H and J, System Administration would be guided by submissions from the chancellors describing their special recognition and retention problems, and any additional funds available for that purpose would probably be divided in essentially the same way as the basic fund. Emphasizing that the task was not impossible, he thought all would agree that it would be preferable to have those problems and the opportunities that would accompany them than to have neither the problems nor the opportunities.

Expressing strong support for Alternative J, Chancellor Shain asked that the Board consider augmenting the amount, perhaps to \$3 million per year, since by the time these funds were distributed throughout the System, the amount left for any particular campus would be quite small. Although allocation of the money would cause some problems, he did not believe they would be of unacceptable severity.

Chancellor Swanson did not think the UW-Stout faculty would be enthusiastic about Alternative J, unless there was a fairly equal distribution of the fund among campuses. One difficulty with funding that option exclusively with student fees, he added, was that the monies would go to a relatively few areas of high demand, and there could be a perception on the part of students that everyone was paying in order to solve problems which were quite narrow in scope.

Regent Beckwith observed that automatic imposition of the same fee for students on each campus had not been suggested. Rather, there could be a relationship between the amount of fee increase on a campus and amount received by the campus from that fee increase.

When the UW-Stout Faculty Senate met the previous week, Chancellor Swanson continued, it passed motions in support of the 4% and 7% proposal and against having the entire amount collected from tuition/fee increases. They also proposed a salary increase in the first year of the biennium, with the understanding that the matter would be reopened in the annual review.

It was pointed out by Regent Beckwith that JCOER had considered the question of repackaging but that, for reasons of cash flow, it was not possible to shift all of the 3.84% back to the first year.

While Chancellor Penson did not believe most of the UW-Oshkosh faculty would object to Alternative J, he thought they would want everyone to recognize that it would not come close to solving the problem. Acknowledging that it was necessary to be concerned about faculty in such fields as computer science and business administration, he stated that it also was important to be concerned about faculty in the areas of the arts and humanities, some of whom felt that their's were forgotten professions.

Chancellor Hannah noted that the students at UW-Eau Claire did not belong to United Council and thus were not spoken for by that group. While she did not wish to attempt to represent their views, she did sense a sensitivity to the problem experienced by the faculty and some willingness to contribute through tuition and fees in order to improve that condition. She thought, however, that they probably shared with faculty considerable apprehension about the existing recognition fund and about any proposal to extend it. Faculty opposition to that fund, she continued, stemmed from the fact that within the university budget major steps already were being taken to solve problems in such areas as computer sciences, to the detriment of staffing levels in fields such as English and mathematics. Inasmuch as Alternative J would again address those special kinds of needs, she did not think most of the faculty or students at UW-Eau Claire would favor such a plan over one which would bring about a more general faculty salary increase.

Chancellor Horton stated that UW-Milwaukee faculty were skeptical of Alternative J on the basis that, although it might solve some problems, it could also create others. In general, he thought they would be more supportive of percentage increases with a significant portion designated for merit. In view of a 21% decline over the past 10 years in real salary levels at UW-Milwaukee, his own feeling was that Alternative J would not adequately address the seriousness of the problem. His strong recommendation, therefore, was that the Board go on record in favor of a sufficient increase.

Commenting that the 21% decline cited by Chancellor Horton might underestimate the true loss, Chancellor Marshall said calculations at UW-Stevens Point showed a decline of 29%. Considering inflation, a 50% increase would be needed next year to return faculty to where they were in 1972-73, and according to projections given for salary increases of 0% and 3.8%, the need would be 55% for the following year. Given that situation, he asked how even 4% and 7% could be regarded as reasonable. The DER proposal and the state budget, he remarked, would require faculty to absorb a loss in order to divert monies to such areas as equipment and supplies. In conclusion, he urged the Board to make a strong, substantial statement of commitment to the faculty in an effort to halt the continuing decline.

In response to a question by Regent Gerrard, Chancellor Marshall recommended asking for no less than 4% and 7% increases, adding that he would not support Alternative J.

Recalling that the previous year faculty at UW-Parkside took one percent from their own salary monies and allocated it to engineering and business, Chancellor Guskin thought they would be concerned about having salary funds directed again to such areas. In his view, Alternative J was a minimal option which would be significant only if there also was a general salary increase. More important than dollars, he emphasized, was the question of faculty confidence in the State of Wisconsin and its support for higher education, since loss of that confidence was what would prompt the best faculty to leave.

Regent O'Harrow moved adoption of Alternative C, and the motion was seconded by Regent Veneman.

Regent Nikolay said his preference would be to defer voting on Alternative C until other options had been considered.

President Beckwith then called on each member of the Board to state his or her preference among the various alternatives.

Indicating that he would favor a two-stage recommendation, Regent Heckrodt suggested that the Board first strongly reaffirm its 4% and 7% proposal, with Alternative E or F as a fall-back position.

Regent O'Harrow said he would agree to incorporating reaffirmation of the Board's original recommendation in his motion for Alternative C.

Regent Fish's position was that the Board should restate its original request and further state that fees should not be increased to fund faculty salaries. He opposed all other alternatives.

Observing that it was the duty of the Legislature to appropriate money for faculty salaries, Regent Hanson pointed out that many of the alternatives would send the message that any time the Legislature did not fulfill that responsibility, the Board would take them off the hook by raising fees. In order to provide some funds for salary increases, however, she was willing support Alternative J.

Regent Lawton favored combining Alternative J with a strong statement of the Board's original position in order to be on record in the event that the economy improved and more money became available. "I don't know how much stronger a statement we can make. We have been making them for a month, and I hope that our efforts get back to the faculty. But you don't buy many groceries with statements." Although the money provided by Alternative J would not be sufficient to solve the problem, he thought it might at least stem the tide until it was possible to obtain more funding. It would be futile, he felt, simply to ask for GPR. "There will not be any help. We won't send a signal to the faculty of any kind, except that we gave up the ship."

Expressing support for Alternative A, Regent Conroy pointed out that it would require the smallest fee increase of those options providing for a general raise in salaries and that it was important to remain competitive in the area of fees as well as in salaries. She opposed Alternative J, stating that she would not favor the recognition fund in lieu of a general increase.

In response to a question by Regent Beckwith as to whether she would support Alternative C if the budget could not be reopened, Regent Conroy replied that it was the Legislature's responsibility to provide the needed funding.

While he felt the faculty was entitled to increases of 4% and 7% at a minimum, Regent Gerrard did not believe that much could be obtained. He therefore recommended increases of 2% and 4%, funded by fees. "I think we have to decide, do we want to give the faculty something, or do we want to give them nothing." If the state's financial condition improved, he added, money for the second year's raise might be requested from the Legislature.

Regent Finlayson supported Alternative A because it restated the Board's 4% and 7% recommendation and held raises in student fees to a minimum. Having attended the JCOER hearing, she felt somewhat optimistic that the Committee might be receptive to a proposal which included a student contribution.

Noting that he had seconded Regent O'Harrow's motion, Regent Veneman added, however, that he did not consider any of the options adequate to correct the problem. "In fact, it's sort of like going into limbo to keep the situation from deteriorating too much. And I don't like tying compensation to fees. On the other hand, realistically, I don't know how we are going to get any GPR, and I do not think they will reopen the budget. So it is with reluctance that I would vote for C."

Regent Nikolay stated that he favored Alternative A.

Regent Clusen said her first preference would be to go back to the Legislature with a restatement of the Board's 4% and 7% request. "I will not support any move to put the full burden on the backs of the students, nor do I think there is much value to the faculty recognition fund, which will only widen the gap in salaries for the University System faculties."

Commenting that increasing tuition is a matter for elected officials rather than for an appointed Board, Regent Knowles said that he would support Regent Fish's proposal. He thought a strong recommendation should be made to JCOER and that the improving economy should produce additional funds for the state in the coming months. "I think it's incumbent upon the Board to keep the pressure on the Legislature, so that if we do have the opportunity to go back, this ought to be the first priority of the state when additional money is available. I therefore think that we ought to reiterate our former statement."

For the purpose of clarification, Regent Beckwith noted that Alternative A, which had been the Board's recommendation to JCOER, would result in fee increases in addition to those in the DER proposal since it maintained the percentage of student contribution at the same level. Predicting that Alternative A would not be approved at this time because the Legislature would not wish to reopen the budget, he said he would favor restating it as the Board's position, so that if the budget was reopened as a result of new fiscal estimates, the Board's proposal would be on record. "I think we ought to be first in line this time. We ought to be strong about it." While he would be willing to go forward with Alternative C, he did not think there was sentiment on the Board to support it, and he was troubled about approving a 15% fee increase in the month of July when most students were not on campus and did not have the opportunity to react to the proposal. Such a radical change, he felt, should not be made without more deliberation.

Turning to Alternative J, he felt that option stood the best chance of legislative approval, inasmuch as it was consistent with the Governor's position on the faculty recognition fund and involved only a modest fee increase of \$12-\$13 each year. With regard to the problem of allocation, he pointed out that the university faced such decisions every time salary funds were distributed. "We have merit increases on campus, and those merit increases have to be allocated to faculty within departments. You

can't escape the problem of allocation unless you want to go the route of across-the-board percentage increases for every employee. That's a model I hope we never follow in this System." If the arts faculty at UW-Parkside gave up 1% of salary monies in order to hire faculty for the sciences, he noted that funds provided by Alternative J might be used to restore that 1% to the arts faculty. "But would you rather not have it at all? I find it difficult to say that, if there's a possibility of putting together another \$6 million over the biennium that we can use in very painful situations, we should turn down that possibility." Although it was clear that Alternative J would not solve the problem, he remarked that friends of the university in the Legislature would say that increases of 4% and 7% simply were not in the cards. He urged, therefore, that the Board adopt a resolution reaffirming Alternative A as its position but also requesting that, if the budget could not be reopened, authority be granted to increase fees by \$12-\$13 per year, (perhaps not across-the-board for all campuses), as provided in Alternative J.

Regent Hanson pointed out that Alternative J also was an option which set no precedent that would carry over into the next biennium.

Regent O'Harrow then withdrew his motion and Regent Veneman withdrew his second.

Regent Lawton moved adoption of the following resolution, and the motion was seconded by Regent Hanson:

Resolution 2863: The Board of Regents supports Alternative A and urges the Legislature to reopen the budget process as soon as possible to increase GPR funding which, along with an increase in student fees/tuition at the current ratio, would permit achievement of faculty/academic staff salary increases of 4% in the first year and 7% in the second year of the biennium.

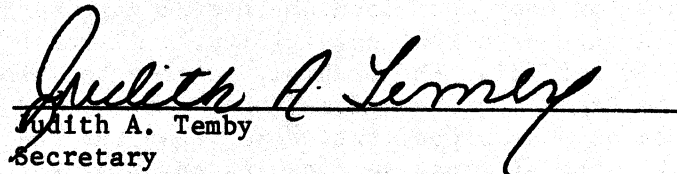
If it is not possible to reopen the budget process at this time, the Board recommends Alternative J, which requests authority to increase student fees by \$12-\$13 per year in order to enhance the faculty recognition fund.

It was suggested by Regent Heckrodt that wording might be incorporated to indicate that, if 4% and 7% could not be obtained, the same funding model could be used to request a lesser increase.

Regent Beckwith indicated that such a request would be made if there was money available, although he would prefer that it not be so stated in the resolution.

On a roll call vote, Resolution 2863 was adopted, with Regents Beckwith, Finlayson, Hanson, Heckrodt, Knowles, Lawton and Veneman (7) voting "Aye" and Regents Clusen, Conroy, Fish, Gerrard, Nikolay and O'Harrow (6) voting "No."

The meeting was adjourned at 12:05 p.m.


Judith A. Temby
Secretary

August 1, 1983

The University of Wisconsin System



OFFICE OF THE PRESIDENT

1700 Van Hise Hall
Madison, Wisconsin 53706
(608) 262-2321

July 6, 1983

TO: Board of Regents

FROM: Robert M. O'Neil *RAION*

RE: Materials for Special Meeting, July 11, 1983

You will find enclosed the materials for the special Regent meeting of July 11, 1983. The subject of that meeting is faculty and unclassified staff compensation for the 1983-85 biennium. As you are aware, the Secretary of Employment Relations has proposed a pay plan for UW System faculty and academic staff under which the state would assume the employee's current 1% contribution to retirement for both years of the biennium; the plan would provide no salary increase in the first year, and a 3.84% increase in the second year. At the meeting last Thursday of the Joint Committee on Employment Relations, the implications of that pay plan were discussed extensively and critically. The Committee took no action on the DER proposals, but will meet again at noon next Tuesday to review any additional proposals.

Because the time has been short and the prospects for external acceptance uncertain at this time, we decided to submit to you several possible options rather than a single proposal. The accompanying material describes these options, their costs and consequences. The differences among the options reflect essentially three variables--total level of compensation increase; relative contributions of General Purpose Revenue and student fees; and apportionment of any fee increase (whether to all students or only to upper division undergraduates and graduate students). Additional combinations or variations can easily be developed before or during the meeting should Regents wish them.

Some further perspective may be helpful on two troublesome issues. One, of course, is the adequacy of the proposed pay plan. The amount recommended to the Joint Committee undoubtedly reflects the most the Governor and the Secretary believe they can do for faculty and staff salaries in the current economic climate. They have already shown their appreciation of faculty achievement and merit through their strong support of the Faculty Recognition Fund, which the legislature recently approved. That modest fund will help to meet certain critical needs our institutions face in this biennium, though its amount is so small that relatively few faculty will benefit from it. Without a substantially larger amount for compensation, the potential effects upon faculty morale and commitment are quite alarming.

EXHIBIT A

As we explained last Thursday to the Joint Committee, the current proposal would cause UW-Madison faculty salaries to fall to the bottom of the Big Ten in all three ranks--a prospect which must be averted if at all possible. The faculties of the UW System seek, and clearly deserve, a substantially better biennial compensation package.

At the same time, we recognize the obstacles to obtaining additional state appropriations for this purpose. While several of the options that follow do reflect the standard GPR/fee split, others rely more heavily on student fees. Any discussion of special fee increases for this purpose is clearly abhorrent to an administration and a Board--not to say a faculty--long committed to maintaining maximum student access through relatively low costs. Even the very modest departure this biennium from the historic 25% formula for resident undergraduates caused much regret, not only to students across the System but quite as much to many others concerned about protecting the values of access and a modest student share of overall instructional cost. The prospect of moving further above these historic fee levels is distressing to us, and would not be entertained if any more palatable alternative existed.

There is no doubt that the UW System did fare well in the operating budget for this biennium--in support proposed by Governor Earl and approved by the legislature for libraries, for instruction in costly and expanding disciplines, for the development of the School of Veterinary Medicine, for inflationary costs of supplies and equipment, and for expanded sabbatical leave opportunities as well as the Faculty Recognition Fund. We deeply appreciate the urgently needed support in these areas, and the improvement in comparative funding levels which will surely result. Indeed, there has been some suggestion that a University which has fared so well elsewhere should uncritically accept a deficient pay plan. Yet it should be clear that we were not offered, and never made, a choice between adequate faculty salaries and improved support for libraries, instruction and equipment. Even the suggestion of such a choice misses the vital point: a strong University needs an adequately rewarded faculty quite as much as it needs strong library collections, current laboratory equipment and usable instructional supplies. The appeal we made last week to the Joint Committee neither questioned the wisdom of decisions made in the operating budget nor qualified in any degree our appreciation for the support already committed by state government. The need we now face is simply a different one--if no less urgent or critical than those we described last summer in our Instructional Funding Report. The finest library collections or most modern laboratory equipment will not ensure a quality education without a faculty who know that the state and its citizens value their talents, their contributions and their commitment.

A final word about process may also be helpful. We expect to return to the Joint Committee on Employment Relations next Tuesday, after discussion with Secretary Fuller (whose proposals are still before the Committee). Should JCOER act favorably on any recommendations responsive

Board of Regents
July 6, 1983
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to a Regent request for increased levels of compensation and its actions receive the approval of the Governor, approval by the Joint Committee on Finance would presumably be required for expenditures above those approved in the biennial budget bill. The timing of this further step would, of course, depend both upon JCOER and gubernatorial approval and upon the willingness of Joint Finance to consider this issue before its next regular quarterly meeting. Even if action were deferred for some weeks, however, the administrative steps necessary to implement any increases could be completed relatively quickly.

The materials and the options which follow offer to the Board several possible approaches.

Enclosure

WAYS TO SUPPLEMENT THE 1983-85 UNCLASSIFIED PAY PLAN
UW System
July 6, 1983

State policies governing universities and colleges in the Midwest grant some degree of flexibility to boards of regents and trustees to supplement the faculty and academic staff pay plan appropriations for merit and cost of living adjustments. Section 36.09(1)(j) of the Wisconsin Statutes provides that the Board of Regents "shall not increase the pay of employees . . . unless it conforms to the proposal as approved [by the Joint Committee on Employment Relations] or is authorized by the Board to correct salary inequities [i.e. to achieve 'equitable compensation for faculty and academic staff with comparable training, experience and responsibilities'] or to fund job reclassifications."

Alternatives to DER's 0%/3.84% proposal for salary increases must be considered. Universities in the Big Ten, except for the University of Iowa which had double-digit salary increases in two of the last three years, are likely to implement salary increases of at least 5% for 1983-84; the probable range is 5%-8%. Other universities in the Midwest appear to be preparing pay plans averaging 3.5%-5% in 1983-84. Faculty recruiting and retention problems in the UW System are well known and well documented. Also, inflation is expected to be in the range of 3%-5%.

The alternatives described below illustrate ways the DER-recommended pay plan could be supplemented to provide some salary increases in 1983-84 and a better increase for 1984-85. All approaches have in common the 1% retirement pick-up in the first year; they focus on additions to the 0%/3.84% provision for salary increases.

Four of the alternatives would finance a 4%/7% salary package, as recommended by the Board of Regents at the June, 1983 meeting, while the other alternatives offer more modest approaches. Projections of UW-Madison rankings in the Big Ten indicate that a 4%/7% package would stabilize Wisconsin's position, and the DER package would allow it to drop to last place in all ranks, by substantial margins.

The characteristics of the alternatives are summarized and compared in Tables 1 and 2 which list costs, percentages of increase in salaries and fees, and other considerations. Additional tables for Alternatives A-G show the detailed build-up of the fee/tuition rates, using as a base the rates corresponding to the biennial budget act and the DER proposal. Alternatives H and J, which are simpler, are detailed in Tables 1 and 2 only.

A. 4%/7% salary increase package financed by standard GPR/Fee split;
fees remain in bi-level structure.

Within Clusters, the fee structure would continue to be based on average costs for undergraduates, as a group, and graduate students; fees for advanced professional schools would be raised in proportion to cost increases. Consistent with the biennial budget act, the GPR/Fee split would be 73.8%/26.2%. This weighted average distribution reflects the roughly 70%/30% split for the teaching mission and the GPR financing for the research and public service missions.

- B. 4%/7% salary increases financed by standard GPR/Fee split, with the cost increases beyond the biennial budget act and DER proposal financed by fee/tuition increases in selected student categories: juniors/seniors and graduate and advanced professional students.

This alternative would reflect the same overall student cost-sharing as Alternative A, but it would move to a differentiation of fees between freshmen/sophomores (Level 1) and juniors/seniors (Level 2). The "tri-level" fee structure would be used in both clusters of universities.

- C. 4%/7% salary increase package, with the cost over the DER proposal financed by academic fee revenue raised through bi-level fee structure.

This proposal is a variation of Alternative A with the major difference that the \$29.7 million GPR requirement under the first approach would be covered by academic fee revenue.

- D. 4%/7% salary increase package, with the cost over the DER proposal financed by academic fee revenue adjustments in selected categories using the tri-level fee structure.

This proposal resembles Alternative B in all respects except the extent of the fee adjustments, which would cover the GPR requirement.

- E. 2%/5.5% salary increase plan financed through fee adjustments for costs beyond the DER proposal; bi-level fee structure.

Special fee increases of one-half the amounts necessary under Alternative C would generate the revenue supplement necessary for this alternative. The bi-level fee structure would be retained, as in C.

- F. 2%/5.5% salary increase plan financed through fee adjustments, in a tri-level structure, for costs beyond the DER proposal.

Half the special fee increases required under Alternative D would raise the supplemental revenue needed for this plan, using the tri-level fee structure.

- G. Raise supplemental pay plan funding through a bi-level structure within a 10% ceiling on the average fee/tuition increase in each year of the biennium; salary increases of 1.6%/4.4% would be supported.

Budgeted fee increases according to the biennial budget act and the DER proposal will be about 6.1% in the first year and 8.8% in the second; the higher percentage in the second year reflects the larger DER-recommended pay plan for that year and other factors. Thus, the margin for a supplement within a 10% average fee increase ceiling is less narrow in the first year.

- H. Establish a supplemental allocation for faculty recognition and retention, amounting to \$2 million in the first year, continued in the second, and an additional \$2 million in the second; standard GPR/Fee split.

This annual allocation would represent less than 0.9% of the System faculty compensation base. It would be distributed selectively for problems that could not be addressed through the \$500,000 appropriated for the Faculty Recognition Fund for 1983-84.

- J. Finance a \$2 million annual faculty recognition/retention allocation solely through fee adjustments.

This alternative resembles H. in all respects except that it requires no additional GPR beyond the DER proposal.

The variations in the alternatives can be reviewed quickly in a matrix:

	<u>Bi-Level Fee Structure*</u>	<u>Tri-Level Fee Structure*</u>
4%/7% plan; GPR/Fee split	Alt. A	Alt. B
4%/7% plan; fee adjust. only	Alt. C	Alt. D
2%/5.5% plan; fee adjust. only	Alt. E	Alt. F
1.6%/4.4% plan; fee adjust. only w/in 10% ceiling	Alt. G	
\$2 mn./yr. faculty retention supplement; GPR/Fee split	Alt. H	
\$2 mn./yr. faculty retention supplement; fee adj. only	Alt. J	

*For all alternatives, fees for advanced professional students would be increased in proportion to cost increases.

Table I

UNIVERSITY OF WISCONSIN SYSTEM
SUMMARY OF COMPENSATION AND FEE ALTERNATIVES FOR 1983-85

	Total Unclass. Salary Increase %	Addl.Fee Incr. for Res. UG				Total Fee Incr. for Res. UG				Total Percent Fee Increase	Fee Rates for Res. UG				Student Cost Sharing by	
		1983-84		1984-85		1983-84		1984-85			1983-84		1984-85		1984-85	
		Doc.	Univ.	Doc.	Univ.	Doc.	Univ.	Doc.	Univ.		Doc.	Univ.	Doc.	Univ.	Overall	Resident Undergrads
		Cl.	Cl.	Cl.	Cl.	Cl.	Cl.	Cl.	Cl.		Cl.	Cl.	Cl.	Cl.		
Biennial Budget/ DER Proposal	0%/3.84%	71	50	94	78	71	50	94	78	6.10%/8.80%	1,065	886	1,159	964	30.5-31.0%	27.0-28.0%
Alternative A	4%/7%	31	26	24	21	102	76	118	99	8.58%/10.03%	1,096	912	1,214	1,011	30.5-31.0	27.0-28.0
Alternative B	4%/7%									8.58%/10.03%					30.5-31.0	
Level 1						71	50	94	78		1,065	886	1,159	964		*
Level 2		54	45	43	36	125	95	137	114		1,119	931	1,256	1,045		*
Alternative C	4%/7%	116	98	96	80	187	148	190	158	15.55%/15.34%	1,181	984	1,371	1,142	33.7-34.2	30.0-31.0
Alternative D	4%/7%									15.55%/15.34%					33.7-34.2	
Level 1						71	50	94	78		1,065	886	1,159	964		*
Level 2		205	173	166	137	276	223	260	215		1,270	1,059	1,530	1,274		*
Alternative E	2%/5.5%	58	49	48	40	129	99	142	118	10.83%/12.07%	1,123	935	1,265	1,053	31.9-32.5	28.5-29.5
Alternative F	2%/5.5%									10.83%/12.07%					31.9-32.5	
Level 1						71	50	94	78		1,065	886	1,159	964		*
Level 2		103	87	83	69	174	137	177	147		1,168	973	1,345	1,120		*
Alternative G	1.6%/4.4%	48	41	18	15	119	91	112	93	10.00%/10.00%	1,113	927	1,225	1,020	31.5-32.0	28.0-29.0
Alternative H	.9%/4.7%	Individual rates have not been calculated--res. UG rates would increase by an add'l \$3-4 each year over the BB/DER proposal.														
Alternative J	.9%/4.7%	"	"	"	"	"	"	"	"	"	"	"	"	"	\$12-13 each year	"

*Percentages of cost for tri-level fees cannot be calculated until revised student cost data are available.

TABLE 2

1983-85 UNCLASSIFIED COMPENSATION
COST OF VARIOUS ALTERNATIVES

	1983-84*			1984-85 (INCREASE OVER 1983-84)			BIENNIAL TOTAL		
	<u>GPR</u>	<u>FEES</u>	<u>TOTAL</u>	<u>GPR</u>	<u>FEES</u>	<u>TOTAL</u>	<u>GPR</u>	<u>FEES</u>	<u>TOTAL</u>
Cost of 1 1/2% Plan**	\$ 2,072,000	\$ 735,000	\$ 2,807,000	\$9,932,000	\$ 3,520,000	\$13,452,000	\$14,076,000	\$ 4,990,000	\$19,066,000
Additional Cost of Various Alternatives -									
A and B	10,345,000	3,667,000	14,012,000	8,994,000	3,188,000	12,182,000	29,684,000	10,522,000	40,206,000
C and D	--	14,012,000	14,012,000	--	12,182,000	12,182,000	--	40,206,000	40,206,000
E and F	--	7,006,000	7,006,000	--	6,091,000	6,091,000	--	20,103,000	20,103,000
G	--	5,700,000	5,700,000	--	2,100,000	2,100,000	--	13,500,000	13,500,000
H	1,477,000	523,000	2,000,000	1,477,000	523,000	2,000,000	4,431,000	1,569,000	6,000,000
J	--	2,000,000	2,000,000	--	2,000,000	2,000,000	--	6,000,000	6,000,000

* Excludes full financing of 1983 summer session increases totaling \$1,241,000 (GPR/Fees).

** 1 1/2% in 1983-84 is for pickup of retirement contributions.

1983-85 FEE SIMULATION
 COMPARISON OF FEES BASED ON THE BIENNIAL BUDGET/DER PROPOSAL (BB/DER)
 TO FEES REQUIRED TO FINANCE A 4%/7% SALARY INCREASE AND A 1% RETIREMENT PICKUP
 (ADDITIONAL FEE INCREASES APPLIED TO ALL STUDENTS - STANDARD GPR/FEE SPLIT)

		1983-84 Based on BB/DER			1983-84 Alternative Calculation				1984-85 Based on BB/DER			1984-85 Alternative Calculation				
		Total	Increase Over		Addl.Fee Increase	Total Fee	Total Increase		Total Fee	Increase Over		Addl.Fee Increase	Total Fee	Total Increase		
1982-83 FEES	Fee	1982-83 Amount	%	Over 1982-83 Amount			%	1983-84 Amount		%	Over 1983-84 Amount			%		
Doctoral Cluster																
Residents																
Undergraduate																
Level 1	994	1,065	71	7.14%	31	1,096	102	10.26%	1,159	94	8.83%	24	1,214	118	10.77%	
Level 2	994	1,065	71	7.14	31	1,096	102	10.26	1,159	94	8.83	24	1,214	118	10.77	
Graduate	1,440	1,542	102	7.08	44	1,586	146	10.14	1,678	136	8.82	36	1,758	172	10.84	
Nonresidents																
Undergraduate																
Level 1	3,772	3,945	173	4.59	31	3,976	204	5.41	4,292	347	8.80	24	4,347	371	9.33	
Level 2	3,772	3,945	173	4.59	31	3,976	204	5.41	4,292	347	8.80	24	4,347	371	9.33	
Graduate	4,567	4,939	372	8.15	44	4,983	416	9.11	5,374	435	8.81	36	5,454	471	9.45	
University Cluster																
Residents																
Undergraduate																
Level 1	836	886	50	5.98	26	912	76	9.09	964	78	8.80	21	1,011	99	10.86	
Level 2	836	886	50	5.98	26	912	76	9.09	964	78	8.80	21	1,011	99	10.86	
Graduate	1,102	1,179	77	6.99	34	1,213	111	10.07	1,283	104	8.82	28	1,345	132	10.88	
Nonresidents																
Undergraduate																
Level 1	3,168	3,283	115	3.63	26	3,309	141	4.45	3,572	289	8.80	21	3,619	310	9.37	
Level 2	3,168	3,283	115	3.63	26	3,309	141	4.45	3,572	289	8.80	21	3,619	310	9.37	
Graduate	3,498	3,778	280	8.00	34	3,812	314	8.98	4,110	332	8.79	28	4,172	360	9.44	
Centers																
Residents																
(Undergrad.																
Level 1)	836	836			1	837	1	.12	886	50	5.98	21	908	71	8.48	
Nonresidents																
(Undergrad.																
Level 1)	3,168	3,168				3,168			3,282	114	3.60	21	3,303	135	4.26	
Average % Increase				6.10%	8.58%				8.80%				10.03%			

ALTERNATIVE B

1983-85 FEE SIMULATION

COMPARISON OF FEES BASED ON THE BIENNIAL BUDGET/DER PROPOSAL (BB/DER)
TO FEES REQUIRED TO FINANCE A 4%/7% SALARY INCREASE AND A 1% RETIREMENT PICKUP

(ADDITIONAL FEE INCREASES APPLIED TO LEVEL 2 & GRAD STUDENTS ONLY WITHOUT DIFFERENTIATING BY PROGRAM - STANDARD GPR/FEE SPLIT)

		1983-84 Based on BB/DER			1983-84 Alternative Calculation				1984-85 Based on BB/DER			1984-85 Alternative Calculation				
		Total Fee	Increase Over 1982-83		Addl.Fee Increase	Total Fee	Total Increase Over 1982-83		Total Fee	Increase Over 1983-84		Addl.Fee Increase	Total Fee	Total Increase Over 1983-84		
			Amount	%			Amount	%		Amount	%			Amount	%	Amount
Doctoral Cluster																
Residents																
Undergraduate																
Level 1	994	1,065	71	7.14%					1,159	94	8.83%					
Level 2	994	1,065	71	7.14	54	1,119	125	12.58%	1,159	94	8.83	43	1,256	137	12.24%	
Graduate	1,440	1,542	102	7.08	78	1,620	180	12.50	1,678	136	8.82	62	1,818	198	12.22	
Nonresidents																
Undergraduate																
Level 1	3,772	3,945	173	4.59					4,292	347	8.80					
Level 2	3,772	3,945	173	4.59	54	3,999	227	6.02	4,292	347	8.80	43	4,389	390	9.75	
Graduate	4,567	4,939	372	8.15	78	5,017	450	9.85	5,374	435	8.81	62	5,514	497	9.91	
University Cluster																
Residents																
Undergraduate																
Level 1	836	886	50	5.98					964	78	8.80					
Level 2	836	886	50	5.98	45	931	95	11.36	964	78	8.80	36	1,045	114	12.24	
Graduate	1,102	1,179	77	6.99	60	1,239	137	12.43	1,283	104	8.82	47	1,390	151	12.19	
Nonresidents																
Undergraduate																
Level 1	3,168	3,283	115	3.63					3,572	289	8.80					
Level 2	3,168	3,283	115	3.63	45	3,328	160	5.05	3,572	289	8.80	36	3,653	325	9.77	
Graduate	3,498	3,778	280	8.00	60	3,838	340	9.72	4,110	332	8.79	47	4,217	379	9.87	
Centers																
Residents																
(Undergrad.																
Level 1)	836	836							886	50	5.98					
Nonresidents																
(Undergrad.																
Level 1)	3,168	3,168							3,282	114	3.60					
Average % Increase				6.10%	8.58%				8.80%				10.03%			

1983-85 FEE SIMULATION

COMPARISON OF FEES BASED ON THE BIENNIAL BUDGET/DER PROPOSAL (BB/DER)
 TO FEES REQUIRED TO FINANCE A 4%/7% SALARY INCREASE AND A 1% RETIREMENT PICKUP
 (ADDITIONAL FEE INCREASES APPLIED TO ALL STUDENTS - ENTIRE AMOUNT FROM STUDENT FEES)

		1983-84 Based on BB/DER				1983-84 Alternative Calculation				1984-85 Based on BB/DER				1984-85 Alternative Calculation			
				Increase Over				Total Increase				Increase Over				Total Increase	
		1982-83	Total	1982-83		Addl.Fee	Total	Over 1982-83		Total	1983-84	1983-84		Addl.Fee	Total	Over 1983-84	
		FEES	Fee	Amount	%	Increase	Fee	Amount	%	Fee	Amount	%		Increase	Fee	Amount	%
Doctoral Cluster																	
Residents																	
Undergraduate																	
Level 1	994	1,065	71	7.14%	116	1,181	187	18.81%		1,159	94	8.83%	96	1,371	190	16.09%	
Level 2	994	1,065	71	7.14	116	1,181	187	18.81		1,159	94	8.83	96	1,371	190	16.09	
Graduate	1,440	1,542	102	7.08	169	1,711	271	18.82		1,678	136	8.82	137	1,984	273	15.96	
Nonresidents																	
Undergraduate																	
Level 1	3,772	3,945	173	4.59	116	4,061	289	7.66		4,292	347	8.80	96	4,504	443	10.91	
Level 2	3,772	3,945	173	4.59	116	4,061	289	7.66		4,292	347	8.80	96	4,504	443	10.91	
Graduate	4,567	4,939	372	8.15	169	5,108	541	11.85		5,374	435	8.81	137	5,680	572	11.20	
University Cluster																	
Residents																	
Undergraduate																	
Level 1	836	886	50	5.98	98	984	148	17.70		964	78	8.80	80	1,142	158	16.06	
Level 2	836	886	50	5.98	98	984	148	17.70		964	78	8.80	80	1,142	158	16.06	
Graduate	1,102	1,179	77	6.99	129	1,308	206	18.69		1,283	104	8.82	105	1,517	209	15.98	
Nonresidents																	
Undergraduate																	
Level 1	3,168	3,283	115	3.63	98	3,381	213	6.72		3,572	289	8.80	80	3,750	369	10.91	
Level 2	3,168	3,283	115	3.63	98	3,381	213	6.72		3,572	289	8.80	80	3,750	369	10.91	
Graduate	3,498	3,778	280	8.00	129	3,907	409	11.69		4,110	332	8.79	105	4,344	437	11.19	
Centers																	
Residents																	
(Undergrad.)																	
Level 1)	836	836			73	909	73	8.73		886	50	5.98	80	1,039	130	14.30	
Nonresidents																	
(Undergrad.)																	
Level 1)	3,168	3,168				3,168				3,282	114	3.60	80	3,362	194	6.12	
Average % Increase				6.10%				15.55%				8.80%				15.34%	

1983-85 FEE SIMULATION

COMPARISON OF FEES BASED ON THE BIENNIAL BUDGET/DER PROPOSAL (BB/DER)

TO FEES REQUIRED TO FINANCE A 4%/7% SALARY INCREASE AND A 1% RETIREMENT PICKUP

(ADDITIONAL FEE INCREASES APPLIED TO LEVEL 2 & GRAD STUDENTS ONLY WITHOUT DIFFERENTIATING BY PROGRAM - ENTIRE AMOUNT FROM STUDENT FEES)

		1983-84 Based on BB/DER				1983-84 Alternative Calculation				1984-85 Based on BB/DER			1984-85 Alternative Calculation				
				Increase Over				Total Increase		Increase Over				Total Increase			
		1982-83	Total	1982-83		Addl.Fee	Total	Over 1982-83		Total	1983-84		Addl.Fee	Total	Over 1983-84		
		FEES	Fee	Amount	%	Increase	Fee	Amount	%	Fee	Amount	%	Increase	Fee	Amount	%	
Doctoral Cluster																	
Residents																	
Undergraduate																	
Level 1	994	1,065	71	7.14%						1,159	94	8.83%					
Level 2	994	1,065	71	7.14	205	1,270	276	27.77%		1,159	94	8.83	166	1,530	260	20.47%	
Graduate	1,440	1,542	102	7.08	298	1,840	400	27.78		1,678	136	8.82	239	2,215	375	20.38	
Nonresidents																	
Undergraduate																	
Level 1	3,772	3,945	173	4.59						4,292	347	8.80					
Level 2	3,772	3,945	173	4.59	205	4,150	378	10.02		4,292	347	8.80	166	4,663	513	12.36	
Graduate	4,567	4,939	372	8.15	298	5,237	670	14.67		5,374	435	8.81	239	5,911	674	12.87	
University Cluster																	
Residents																	
Undergraduate																	
Level 1	836	886	50	5.98						964	78	8.80					
Level 2	836	886	50	5.98	173	1,059	223	26.67		964	78	8.80	137	1,274	215	20.30	
Graduate	1,102	1,179	77	6.99	228	1,407	305	27.68		1,283	104	8.82	183	1,694	287	20.40	
Nonresidents																	
Undergraduate																	
Level 1	3,168	3,283	115	3.63						3,572	289	8.80					
Level 2	3,168	3,283	115	3.63	173	3,456	288	9.09		3,572	289	8.80	137	3,882	426	12.32	
Graduate	3,498	3,778	280	8.00	228	4,006	508	14.52		4,110	332	8.79	183	4,521	515	12.86	
Centers																	
Residents																	
(Undergrad.																	
Level 1)	836	836								886	50	5.98					
Nonresidents																	
(Undergrad.																	
Level 1)	3,168	3,168								3,282	114	3.60					
Average % Increase				6.10%				15.55%			8.80%				15.34%		

ALTERNATIVE E

1983-85 FEE SIMULATION

COMPARISON OF FEES BASED ON THE BIENNIAL BUDGET/DER PROPOSAL (BB/DER)
TO FEES REQUIRED TO FINANCE A 2½/5.5% SALARY INCREASE AND A 1% RETIREMENT PICKUP
(ADDITIONAL FEE INCREASES APPLIED TO ALL STUDENTS - ENTIRE AMOUNT FROM STUDENT FEES)

		1983-84 Based on BB/DER			1983-84 Alternative Calculation				1984-85 Based on BB/DER			1984-85 Alternative Calculation				
		Total Fee	Increase Over 1982-83		Addl.Fee Increase	Total Fee	Total Increase Over 1982-83		Total Fee	Increase Over 1983-84		Addl.Fee Increase	Total Fee	Total Increase Over 1983-84		
1982-83 FEES	Amount		%	Amount			%	Amount		%	Amount			%		
Doctoral Cluster																
Residents																
Undergraduate																
Level 1	994	1,065	71	7.14%	58	1,123	129	12.98%	1,159	94	8.83%	48	1,265	142	12.64%	
Level 2	994	1,065	71	7.14	58	1,123	129	12.98	1,159	94	8.83	48	1,265	142	12.64	
Graduate	1,440	1,542	102	7.08	85	1,627	187	12.99	1,678	136	8.82	69	1,832	205	12.60	
Nonresidents																
Undergraduate																
Level 1	3,772	3,945	173	4.59	58	4,003	231	6.12	4,292	347	8.80	48	4,398	395	9.87	
Level 2	3,772	3,945	173	4.59	58	4,003	231	6.12	4,292	347	8.80	48	4,398	395	9.87	
Graduate	4,567	4,939	372	8.15	85	5,024	457	10.01	5,374	435	8.81	69	5,528	504	10.03	
University Cluster																
Residents																
Undergraduate																
Level 1	836	886	50	5.98	49	935	99	11.84	964	78	8.80	40	1,053	118	12.62	
Level 2	836	886	50	5.98	49	935	99	11.84	964	78	8.80	40	1,053	118	12.62	
Graduate	1,102	1,179	77	6.99	65	1,244	142	12.89	1,283	104	8.82	53	1,401	157	12.62	
Nonresidents																
Undergraduate																
Level 1	3,168	3,283	115	3.63	49	3,332	164	5.18	3,572	289	8.80	40	3,661	329	9.87	
Level 2	3,168	3,283	115	3.63	49	3,332	164	5.18	3,572	289	8.80	40	3,661	329	9.87	
Graduate	3,498	3,778	280	8.00	65	3,843	345	9.86	4,110	332	8.79	53	4,228	385	10.02	
Centers																
Residents																
(Undergrad.																
Level 1)	836	836			37	873	37	4.43	886	50	5.98	40	963	90	10.31	
Nonresidents																
(Undergrad.																
Level 1)	3,168	3,168				3,168			3,282	114	3.60	40	3,322	154	4.86	
Average % Increase				6.10%	10.83%				8.80%				12.07%			

ALTERNATIVE F

1983-85 FEE SIMULATION

COMPARISON OF FEES BASED ON THE BIENNIAL BUDGET/DER PROPOSAL (BB/DER)

TO FEES REQUIRED TO FINANCE A 2 1/2%/5.5% SALARY INCREASE AND A 1% RETIREMENT PICKUP

(ADDITIONAL FEE INCREASES APPLIED TO LEVEL 2 & GRAD STUDENTS ONLY WITHOUT DIFFERENTIATING BY PROGRAM - ENTIRE AMOUNT FROM STUDENT FEES)

		1983-84 Based on BB/DER			1983-84 Alternative Calculation				1984-85 Based on BB/DER			1984-85 Alternative Calculation				
		Increase Over			Total Increase				Increase Over			Total Increase				
1982-83		Total	1982-83		Addl.Fee	Total	Over 1982-83		Total	1983-84		Addl.Fee	Total	Over 1983-84		
FEES		Fee	Amount	%	Increase	Fee	Amount	%	Fee	Amount	%	Increase	Fee	Amount	%	
Doctoral Cluster																
Residents																
Undergraduate																
Level 1	994	1,065	71	7.14%					1,159	94	8.83%					
Level 2	994	1,065	71	7.14	103	1,168	174	17.51%	1,159	94	8.83	83	1,345	177	15.15%	
Graduate	1,440	1,542	102	7.08	149	1,691	251	17.43	1,678	136	8.82	120	1,947	256	15.34	
Nonresidents																
Undergraduate																
Level 1	3,772	3,945	173	4.59					4,292	347	8.80					
Level 2	3,772	3,945	173	4.59	103	4,048	276	7.32	4,292	347	8.80	83	4,478	430	10.62	
Graduate	4,567	4,939	372	8.15	149	5,088	521	11.41	5,374	435	8.81	120	5,643	555	10.91	
University Cluster																
Residents																
Undergraduate																
Level 1	836	886	50	5.98					964	78	8.80					
Level 2	836	886	50	5.98	87	973	137	16.39	964	78	8.80	69	1,120	147	15.11	
Graduate	1,102	1,179	77	6.99	114	1,293	191	17.33	1,283	104	8.82	92	1,489	196	15.16	
Nonresidents																
Undergraduate																
Level 1	3,168	3,283	115	3.63					3,572	289	8.80					
Level 2	3,168	3,283	115	3.63	87	3,370	202	6.38	3,572	289	8.80	69	3,728	358	10.62	
Graduate	3,498	3,778	280	8.00	114	3,892	394	11.26	4,110	332	8.79	92	4,316	424	10.89	
Centers																
Residents																
(Undergrad.																
Level 1)	836	836							886	50	5.98					
Nonresidents																
(Undergrad.																
Level 1)	3,168	3,168							3,282	114	3.60					
Average % Increase				6.10%	10.83%				8.80%				12.07%			

1983-85 FEE SIMULATION

COMPARISON OF FEES BASED ON THE BIENNIAL BUDGET/DER PROPOSAL (BB/DER)
 TO FEES REQUIRED TO FINANCE A 1.6%/4.4% SALARY INCREASE AND A 1% RETIREMENT PICKUP
 (ADDITIONAL FEE INCREASES APPLIED TO ALL STUDENTS - ENTIRE AMOUNT FROM STUDENT FEES)
 (OVERALL FEE INCREASE LIMITED TO 10.00%)

		1983-84 Based on BB/DER				1983-84 Alternative Calculation				1984-85 Based on BB/DER			1984-85 Alternative Calculation			
		Total Fee	Increase Over 1982-83		Addl.Fee Increase	Total Fee	Total Increase Over 1982-83		Total Fee	Increase Over 1983-84		Addl.Fee Increase	Total Fee	Total Increase Over 1983-84		
1982-83 FEES			Amount	%			Amount	%		Amount	%			Amount	%	Amount
Doctoral Cluster																
Residents																
Undergraduate																
Level 1	994	1,065	71	7.14%	48	1,113	119	11.97%	1,159	94	8.83%	18	1,225	112	10.06%	
Level 2	994	1,065	71	7.14	48	1,113	119	11.97	1,159	94	8.83	18	1,225	112	10.06	
Graduate	1,440	1,542	102	7.08	70	1,612	172	11.94	1,678	136	8.82	25	1,773	161	9.99	
Nonresidents																
Undergraduate																
Level 1	3,772	3,945	173	4.59	48	3,993	221	5.86	4,292	347	8.80	18	4,358	365	9.14	
Level 2	3,772	3,945	173	4.59	48	3,993	221	5.86	4,292	347	8.80	18	4,358	365	9.14	
Graduate	4,567	4,939	372	8.15	70	5,009	442	9.68	5,374	435	8.81	25	5,469	460	9.18	
University Cluster																
Residents																
Undergraduate																
Level 1	836	886	50	5.98	41	927	91	10.89	964	78	8.80	15	1,020	93	10.03	
Level 2	836	886	50	5.98	41	927	91	10.89	964	78	8.80	15	1,020	93	10.03	
Graduate	1,102	1,179	77	6.99	54	1,233	131	11.89	1,283	104	8.82	20	1,357	124	10.06	
Nonresidents																
Undergraduate																
Level 1	3,168	3,283	115	3.63	41	3,324	156	4.92	3,572	289	8.80	15	3,628	304	9.15	
Level 2	3,168	3,283	115	3.63	41	3,324	156	4.92	3,572	289	8.80	15	3,628	304	9.15	
Graduate	3,498	3,778	280	8.00	54	3,832	334	9.55	4,110	332	8.79	20	4,184	352	9.19	
Centers																
Residents																
(Undergrad.																
Level 1)	836	836			18	854	18	2.15	886	50	5.98	15	919	65	7.61	
Nonresidents																
(Undergrad.																
Level 1)	3,168	3,168				3,168			3,282	114	3.60	15	3,297	129	4.07	
Average % Increase				6.10%	10.00%				8.80%				10.00%			