



May 4, 2005

Co-Chairpersons and Members of the  
Joint Committee on Employment Relations  
Room 113 South, State Capitol  
Madison, WI 53703

Dear Co-Chairpersons and Committee Members:

In accordance with s. 230.12(3)(e), Wis. Stats., I am submitting for your consideration and approval proposed 2005-2007 compensation and benefit adjustments for University of Wisconsin System senior executives, faculty and academic staff.

FY 2005-2006

I am recommending a funded increase of 2.0% over the 2004-2005 University of Wisconsin System faculty and academic staff base payroll, to be used for merit, retention, across-the-board, or other pay increases for University of Wisconsin System faculty and academic staff. Funds will be provided from the General Purpose Revenue compensation reserve for this provision. The effective date shall be the beginning of the first pay period in July 2005 or the first pay period of the 2005-2006 appointment contract year for University of Wisconsin faculty and academic staff employed on an academic year or other established appointment basis.

FY 2006-2007

I am recommending a funded increase of 2.0% over the 2005-2006 University of Wisconsin System faculty and academic staff base payroll, to be used for merit, retention, across-the-board, or other pay increases for University of Wisconsin System faculty and academic staff. Funds will be provided from the General Purpose Revenue compensation reserve for this provision. The effective date shall be the beginning of the first pay period in July 2006 or the first pay period of the 2006-2007 appointment contract year for University of Wisconsin faculty and academic staff employed on an academic year or other established appointment basis.

I am also recommending a funded increase, effective April 1, 2007, of 1.0% over University of Wisconsin System faculty and academic staff base payroll on that date, to be used for merit, retention, across-the-board, or other pay increases for University of Wisconsin System faculty and academic staff. Funds will be provided from the General Purpose Revenue compensation reserve for this provision.

These recommended salary increases are consistent with the state's fiscal situation. Although these recommendations do not match the increases recommended by the Board of Regents of the University of Wisconsin System in its November 2004 resolution, Governor Jim Doyle has provided an additional \$5 million in his budget proposal to fund a Star Faculty initiative. These funds will assist the System in retaining its high-demand faculty. In addition, the Board of Regents remains authorized to adjust salaries to address inequities or competitive factors as provided by s. 36.09(1)(j), Wis. Stats.

### Related Recommendations

1. The Board of Regents shall be authorized to allocate funds appropriate for University of Wisconsin System senior executives, faculty and academic staff for salary increases consistent with the criteria and effective dates as identified above.
2. The Board of Regents shall be authorized to adjust the salary schedule for the academic staff by up to 2.0% at the beginning of each fiscal year, and by 1.0% on April 1, 2007.
3. I am recommending that salary ranges 1 and 2 of the university senior executive salary group (SEG) be adjusted by 2.0% effective June 26, 2005, 2.0% effective June 25, 2006, and 1.0% effective April 1, 2007, as presented on the attached schedule (Attachment A). As noted above, the Board of Regents remains authorized to adjust the salaries for these positions to address salary inequities or competitive factors, as provided by s. 36.09(1)(j), Wis. Stats.

### Health Insurance Provisions

The employee monthly contribution rates for health insurance will be the same as those in the 2005-2007 Compensation Plan for nonrepresented classified and certain unclassified employees, and are provided below. The 2006 rates are identical to the 2005 rates.

<u>2006</u>			<u>2007</u>		
<u>Monthly Employee Contribution Rates</u>			<u>Monthly Employee Contribution Rates</u>		
	<u>Single</u>	<u>Family</u>		<u>Single</u>	<u>Family</u>
<b>Tier 1</b>	\$22.00	\$55.00	<b>Tier 1</b>	\$27.00	\$68.00
<b>Tier 2</b>	\$50.00	\$125.00	<b>Tier 2</b>	\$60.00	\$150.00
<b>Tier 3</b>	\$100.00	\$250.00	<b>Tier 3</b>	\$143.00	\$358.00

In their November 2004 resolution, the Board of Regents also endorsed the provision of health insurance coverage for the domestic partners of UW System employees. Governor Doyle supports extending these important benefits to UW System employees and has included the necessary statutory changes in his 2005-2007 budget proposal.

Co-Chairpersons and Members of the  
Joint Committee on Employment Relations  
May 4, 2005  
Page 3

Cost

It is estimated that the biennial cost of the 2005-2007 Compensation Plan for University of Wisconsin System senior executives, faculty and academic staff will be \$87,342,197 all funds with fringe. The General Purpose Revenue portion is approximately \$39,216,646. A more detailed costing sheet is attached for your information (Attachment B).

I respectfully request that the Committee approve the above recommendations. I would be pleased to respond to any questions you may have about the above recommendations.

Sincerely,

Karen E. Timberlake  
Director

KET:PLO

Attachment: A: 2005-2007 SEG Ranges  
B: 2005-2007 Compensation Plan Cost Estimate

cc: President Kevin Reilly  
Board of Regents President Toby Marcovich  
David Schmiedicke

## Office of State Employment Relations

University of Wisconsin Senior Executive Group (SEG) Salary Ranges  
SEG 1 & 2**June 26, 2005 - June 24, 2006**


---



---

SEG				
#	Senior Executive Position	Minimum	Midpoint	Maximum
2	VP - UW System	\$136,689	\$151,877	\$167,065
1	Vice Chancellors (13 institutions)	\$116,808	\$129,787	\$142,765

**June 25, 2006 - March 31, 2007**


---



---

SEG				
#	Senior Executive Position	Minimum	Midpoint	Maximum
2	VP - UW System	\$139,423	\$154,915	\$170,406
1	Vice Chancellors (13 institutions)	\$119,144	\$132,382	\$145,620

**April 1, 2007 - June 23, 2007**


---



---

#	Senior Executive Position	Minimum	Midpoint	Maximum
2	VP - UW System	\$141,086	\$156,598	\$172,110
1	Vice Chancellors (13 institutions)	\$120,335	\$133,706	\$147,076

**2005-2007 COMPENSATION PLAN COST ESTIMATE**  
**May 2005**  
**University of Wisconsin System Senior Executive, Faculty and Academic Staff**

<u>FISCAL YEAR</u>		<u>All Funds Without Fringe</u>	<u>All Funds With Fringe</u>	<u>GPR With Fringe (1)</u>	<u>Other Funds With Fringe</u>
<b>2005-2006</b>	1st Year Cost	\$22,688,036	\$27,656,717	\$12,417,866	\$15,238,851
	1st Year Cost in 2nd Year	\$22,688,036	\$27,656,717	\$12,417,866	\$15,238,851
<b>2006-2007</b>	2nd Year Cost	\$26,274,621	\$32,028,763	\$14,380,915	\$17,647,848
<b>Biennial Total</b>		<u>\$71,650,694</u>	<u>\$87,342,197</u>	<u>\$39,216,646</u>	<u>\$48,125,551</u>

(1) GPR calculation is based on current payroll constructs, from October 2004 data in December 23, 2004 letter from Freda Harris.