

Executive Budget Committee
Minutes of the 29 September, 2011 Meeting

Members attending: Baker, Bennett, Bosch, Cline, Einhellig, Elliott, Foucart, Franklin, Gallaway, Gouzie, Hough, Kincaid, Matthews, McClure, Olsen, Parker, Smart, Turk, Wallentine

Members absent: Frizell

Preliminary Discussion.

Chair Eric Bosch welcomed the committee and briefly discussed committee protocol. Committee members then introduced themselves.

President Smart provided an overview of the anticipated major issues, noting that external factors such as the legislative budgeting process or enrollment issues could influence the nature and priority of subsequent topics the committee might undertake during the year. Current issues include a possible salary increase, reallocation possibilities, and major University expenses. He also indicated that in order to achieve breadth of input, the Executive Budget Committee could develop positions and ideas to circulate to the Academic Affairs Budget Committee, Administrative Budget Committee, and the cost center committees for discussion, feedback, and recirculation.

Mid-Year Salary Increase Proposal.

President Smart and Mr. Foucart presented an initial scenario for a mid-year salary increase.

Key points:

1. Would be effective 1/1/2012 for staff; 2/1/2012 for faculty
2. To qualify one must have been hired as of 06/30/2011(service date or updated current hire date)
3. Percentage component: 1.2% plus fixed annual amount component: \$400.00
4. Maximum raise cap: \$1,800.00 annually
5. Employee's salary after the raise could not exceed maximum for the employee's pay grade
6. Would exclude individuals making \$150,000 or more annually
7. Must be full-time employee to be eligible
8. 75% full-time employees will have their raise pro rata by 75%
9. Raise will only be on the base pay; supplemental pay will not be included in calculations.
10. Faculty who retire effective 02/01/2012 will not receive the pay increase
11. Annual cost with benefits: \$2,356,529 (excludes auxiliaries); cost on six month basis (January/February): \$1,178,264.50

Discussion

President Smart and Mr. Foucart reviewed some of the rationale:

- a. The plan contains a combination of percentage increase plus a fixed sum to provide more consideration for those at the lower end of the salary scale.
- b. There may be questions about what constitutes “across the board.”
- c. There is a dollar cap and a salary cap as well; the proposal as written would exclude seven individuals.
- d. Employing multiple factors provides some flexibility in the numbers and contributes to an overall fairness.

General Discussion: A committee member raised a question on behalf of University staff regarding the relative equity of the raises for faculty earlier in the year compared to those received by staff, and the general concern that any proposed across the board raises during 2011-2012 be constructed equitably. Another committee member mentioned that some staff were skeptical about the budget process and did not expect to receive a raise this year. It was noted staff raises last year specifically focused on the lowest paid staff members and that, since all salary scales for staff members were adjusted up by 6.5% last year, it was expected that, under the current proposal, most (if not all) staff members would indeed receive a raise.

There was also discussion regarding where the average salary range fell in the current proposal vis-a-vis the break-even point (the top end of that part of the salary range in which the percentage plus lump proposal would yield a salary increase greater than that provided by a straight percentage).

In addition there was discussion of where an optimal salary increase cap might fall based on an average salary. There was also related discussion of lowering the overall salary eligibility figure or using the salary increase cap (\$1,800 in the initial proposal) as a means of adjusting the proposal.

A question was raised regarding eligibility for 9 month staff as opposed to 9 month faculty, or more specifically 9 month employees who were paid on a 9 month schedule, and whether they would fall into the 75% full-time employee range.

A committee member also suggested clearly communicating that the calculation components of the proposal under discussion applied only to the current proposal, and that subsequent approaches for an across the board 2% increase for FY 2013 would revert to a straight percentage, dependent upon factors that might arise in the interim.

Conclusions: Mr. Foucart will run various scenarios for the committee adjusting variables of the current proposal to identify an optimum formula with respect to overall fairness for discussion at the next committee meeting. He also asked for additional ideas or scenarios from committee members. He and President Smart will report to the committee at the next meeting with the

intention of developing a firm proposal for the October Board of Governors meeting. Further discussion of the fiscal effect on cost centers of continuing a 2% across the board increase will also occur at the next meeting.

Next Meeting: 3:30 p.m., Thursday, 6 October – Room 203, Carrington Hall