



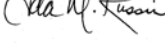


The University of Vermont

Staff Council Office

Serving as a voice and advocate for all staff at UVM, since 1971.

February 2, 2011

To: The University of Vermont Board of Trustees
 Deborah McAneny, Chair, Trustees' Budget, Finance and Investment Committee
 Daniel M. Fogel, President
 Jane Knodell, Provost
 Richard Cate, Vice President for Finance and Administration
 Gary Derr, Vice President for Executive Operations
 Barbara Johnson, Associate Vice President of Human Resource Services
 Ted Winfield, Associate Vice President for Budget and Resource Management

From: Ida Russin, Staff Council President 
 Carol Gross, Chair, Staff Council Salary & Budget Committee 
 Eileen Kristiansen, Vice-Chair, Staff Council Salary & Budget Committee 

Re: Recommendation for the FY 2012 Salary Pool Increase

On behalf of the UVM Staff and UVM Staff Council, the Salary & Budget Committee wishes to extend its appreciation to the Administration for its commitment to an increasingly open and inclusive budget building process across campus. We are proud to be a part of this fine institution and pledge our continued support in these difficult times.

By a vote of 19 in favor, 0 opposed, and 5 abstentions, the Staff Council recommends that the base salary pool increase for FY 2012 (July 1, 2011 – June 30, 2012) be that each full time (1.0 FTE) unrepresented staff member receive a flat \$1,000 increase in pay to be distributed over 24 pay periods. In cases where a staff member works part-time, their increase would be prorated accordingly.

Example:

FTE	FY 11 Salary	FY 12 Salary
1.0	\$30,000	\$31,000
.75	\$22,500	\$23,250

Note: This example uses \$30,000 as a base salary proportional to the FTE.

For the past two years, those in the income brackets over \$75,000 have not received an increase. The rationale behind our proposal is to provide *all* non-represented staff with an increase in FY 2012. We acknowledge that the flat dollar approach represents a graduated percentage as the pay scale increases. We do not expect this approach to be adopted as standard procedure going forward. However, during these difficult economic times, the recommendation of the Staff Council is intended to provide a higher percentage increase for those with the lowest salaries. The Council believes that our FY 2012 salary recommendation is reasonable but also reflects that staff are aware of the University's financial difficulties, and we are willing to accept our share of the sacrifices that will be needed to help the

institution meet the challenges we face. The ultimate goal of this recommendation is to protect jobs, avoid lay-offs, reward staff for their dedication and hard work, and support a more socially just institution.

It is our understanding that UVM's Human Resource Services regularly reviews the current pay bands against current market pay scales to be sure they are set at a competitive rate. The Staff Council Salary and Budget Committee has been invited to participate in this ongoing project. We acknowledge that this might be a more appropriate forum in which to address perceptions regarding salary levels and are excited at the prospect of participation in this effort.

Merit and Performance Evaluations

For the remainder of FY 2011 and throughout FY 2012, the Staff Council Salary and Budget Committee will be working closely with Human Resource Services to advocate for University-wide compliance with regard to annual performance evaluations. As part of this work, we will seek to assist in the creation of a process that includes the performance evaluation as a component in the decision when awarding salary increases for employees.

Response

The Staff Council hereby requests a response to this recommendation from the Chair of Board of Trustees Budget, Finance and Investment committee and the Administration regarding this recommendation. Your comments will enable us to better serve the Staff of the University of Vermont.

Cc: Kit Ardell, Staff Representative on Trustees' Budget, Finance and Investment Committee
Rodman Cory, Staff Representative on Trustees' Budget, Finance and Investment Committee
Al Turgeon, Senior Strategist for Enterprise Risk and Planning

Staff Council Recommendation for the FY 2012 Salary Pool Increase Explanation

Dear Staff,

Crafting a salary recommendation on behalf of all UVM non-represented staff is a daunting process. There are many variables to consider, and often the pieces do not fit together cleanly. Many hours were spent obtaining and analyzing data provided by the Administration and there was much discussion and debate. Below, we have attempted to further outline our process for making this recommendation. The following are summaries of the four final proposals examined by the Staff Council Salary and Budget Committee. The calculations are rough estimates based on that data. The fringe rate (i.e. Benefits) for FY 12 is unknown at this time, so corresponding fringe rates are not included here. For informational purposes, the amount of the FY 2011 salary increase for all non-represented staff making an annual salary of under \$75,000 was \$1,450,000 and this figure does not include fringe.

FY 2012 Salary and Budget Committee Recommendation Examined Proposals

1. A flat dollar increase of \$1,000 for all non-represented staff.

Rationale:

Rough calculations, based on data provided to the Committee by, Vice President for Finance and Administration, Richard Cate, Associate Vice President for Budget and Resource Management, Ted Winfield, and Associate Vice President for Human Resource Services, Barbara Johnson, demonstrate that this proposal is fiscally responsible considering the University's current economic climate. A flat dollar increase is in keeping with UVM's efforts to be socially responsible. There are those among our staff who have a difficult time covering the most basic expenses such as heat, electricity, etc. The flat dollar increase would provide more money for those at the lower end of the pay scale while recognizing the important contributions of those at the higher end, some of whom have not received increases in the past two years.

Estimated amount of increase in salary: \$1,668,000.00

2. A graduated percentage increase in the following increments:

- | | |
|-------------------------|---------------|
| a. \$35,000 and under | 2.5% increase |
| b. \$35,001 to \$75,000 | 2.0% increase |
| c. \$75,001 and over | 1.5% increase |

Rationale:

This is similar to that of Proposal # 1, however, the exact dollar amount would be calculated on individual FY 11 salaries.

Estimated amount of increase in salary: \$1,613,414.69

3. A graduated percentage increase with the top incomes (\$75,000 and over) capped at 1.0%.

Rationale:

This is also similar to that of Proposal #1. In addition, the reason behind capping the higher levels at 1.0% is that as incomes increase, the 10% retirement savings account contribution that UVM provides to those in that program represents a proportionately increasing dollar amount. Consequently, those at higher pay levels are compensated in other ways.

This proposal was eventually rolled into Proposal # 1. No hard numbers were calculated due to its similarity with #1.

4. A flat, across-the-board increase of 1.5% for all unrepresented staff.

Rationale:

The State of Vermont is reporting a deficit of approximately 170 million according to the Burlington Free Press, and UVM's appropriation is unsure at this time. The projected fringe rate may be at 43%, which will impact all resources used for staff salaries in some way. Individual salaries are set relative to duties performed and level of responsibility required of the position as well as the experience and education one brings to the position. A flat percentage demonstrates that all UVM positions are equally significant to the success of the University, but also recognizes the varying demands of each position. A flat, across-the-board increase minimizes additional compression which is currently most problematic at the upper salary levels. It is hoped that with savings incurred, it may not be necessary to increase out-of-pocket health benefit expenses.

Estimated amount of increase in salary: \$1,340,993.00

After much debate over these proposals, the Staff Council Salary & Budget Committee, through a majority vote, chose to move forward the first one - **A flat dollar increase of \$1,000 for all non-represented staff.** This proposal was reviewed by the Staff Council Executive Board and moved to a full Staff Council vote at our February 1, 2011 meeting. Although concerns were raised around this proposal, the Council voted to present the recommendation to the Board of Trustees and the Administration. As referenced in the recommendation itself, the Council voted 19 in favor, 0 opposed, and 5 abstaining.

While our recommendation does present a higher total cost associated with increases than last year by approximately \$218,000, it does so by providing an increase to those individuals making over \$75,000 who have not had an increase in the past two years.

Although we know that the Administration has brought up concerns around the compression of salaries if a flat dollar amount were given, we thought it important to think about alternative, but equitable ways to approach the salary increase issue that could assist those at the lower end of the pay scale and provide recognition to those at the higher end.

This year, perhaps more than ever in the past, was a truly collaborative effort in working with the Administration. Their willingness to discuss and share data, provide us with guidance, and include us in discussions with other university leaders was commendable. The continued usage of the Budget Planning website (<http://www.uvm.edu/budgetplanning/>) is a testament to this continued level of openness.

While we know that not everyone will agree or support our recommendation, this exercise is an important one to complete each year as it provides further transparency to the entire university community on matters pertaining to the budget. We hope that in the future we can improve on communicating and educating to non-represented staff on the university budget and the salary raise process.

We realize that many of you may still have lingering questions or concerns. If yes, we would greatly appreciate hearing them. Please contact the Staff Council via email at Staff.Council@uvm.edu or use our Contact Sheet option at <http://www.uvm.edu/~stffcncl/?Page=onlinecontactsheet.html>

Respectfully,

Staff Council Salary & Budget Committee