



President's Bulletin

University of Missouri

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Thursday, May 2, 1974

TO: MEMBERS OF THE UNIVERSITY FACULTY AND STAFF
FROM: C. BRICE RATCHFORD, PRESIDENT
SUBJECT: 1974-75 SALARY AND WAGE PROGRAM

This bulletin is to inform you of the action taken by the Board of Curators at a special meeting on April 26. The meeting was open and you probably have seen or heard reports.

The curators approved a six per cent increase in the University's total salary and wage budget, based on the appropriation passed by the General Assembly and assuming its approval by the Governor. The salary and wage budget would become effective Sept. 1, 1974.

The curators specified that those persons receiving more than \$10,400 annually would receive a four per cent increase. Another two per cent of the salary and wage base would be available for additional increases within budgetary units based on market and merit considerations.

For persons making \$10,400 or less, the curators specified a five per cent increase for everyone, with an additional one per cent of the base available for individual merit and other adjustments. For example, correction of any pay inequities which might be determined through position review would be financed from the one per cent money. University officials and union representatives will discuss proposed wage adjustments within these guidelines for regular employes on hourly rates before any adjustments are finalized.

Considerable discussion preceded the curators' action. They agonized over many of the same questions I noted in my Feb. 15 communication to you on the status of our appropriation request.

The curators took into account the governor's recommendation to the legis-

lature that all state agencies give five per cent cost-of-living adjustments and one per cent for merit. They also were aware that, while the appropriation legislation does not specify a salary and wage percentage, discussion in the appropriation committees of the legislature ranged from five to six per cent.

The curators recognized, as we have, that we do not have the funds in prospect to match inflation of more than 10 per cent over the last year, as measured by the Consumer Price Index. If the total increase in appropriation and the total increase in other revenue anticipated for the University next year were applied to the salary and wage program, we could not match the rate of inflation. The General Assembly approved an \$8.9 million increase. Other revenue is expected to increase \$700,000. That totals \$9.6 million. A 10 per cent salary and wage increase would cost \$12.2 million.

Under more normal economic circumstances, the University's policy has been to construct its salary program on a merit basis. The Inter-Campus Faculty Council members say they do not favor across-the-board increases as a continuing policy. One member of the Board of Curators made clear that he was voting for across-the-board increases reluctantly and would do so only because of the unusual inflation.

The arithmetic of our tentative budget planning, with \$7.3 million allocated for the salary and wage increases from an anticipated total of \$9.6 million in additional funds, leaves about \$1.5 million to meet fixed costs, \$400,000 to meet an expected enrollment increase and

\$424,000 to cushion the impact of inflation on prices of equipment, supplies and utilities which we must buy. That is a very spartan plan.

What happens if the governor reduces the appropriation figure approved by the General Assembly for the University? Board of Curators President Fane said that if the appropriation is lowered, the salary and wage program would have to be reconsidered. Another member of the board said it would mean further reductions in programs. Another said we would have to consider higher student

fees. I have not made any tentative recommendation.

The curators were not critical of the General Assembly for the amount appropriated to the University, nor am I. The legislature has just so much money to allocate. Unless and until the legislators have more revenue to work with, their job of deciding the use of funds is similar to the difficult task we have of determining how best to allocate our revenue.

Your understanding, your help, your ingenuity and your dedication to the University are welcomed and appreciated.