



2002-03 University of Wisconsin System Academic Staff Representatives Conference Call Minutes

**Thursday, January 16, 2002
9:00 a.m. to 10:30 a.m.**

Human Resources and Personnel Issues

Chuck McConnell, Assistant Vice President of Human Resources

Pension Fund Investment Returns

The State of Wisconsin Investment Board (SWIB) has announced **preliminary fixed and variable returns for 2002**. The returns announced are -8.6% for the fixed trust fund and -21.8% for the variable. Additional information on the preliminary returns announced by SWIB is available at www.swib.state.wi.us

Remember, these are not the effective rates that will be credited to active and inactive member accounts. The effective rates will be calculated by ETF once the final SWIB figures are in. Typically the final effective rates are announced sometime in February. Employees can watch the ETF web site in February for more information.

Based on the "preliminary" SWIB figures the effective fixed rate may be around +5%. Even though the fixed return is a -8.6% the transfer of funds from the transaction amortization account (TAA) offsets the loss and provides a modest positive return. The variable rate however, is not impacted by the TAA transfer, thus a negative return (around -23%) will be credited to the variable balances of accounts.

For annuitants with fixed only annuities, there will be no dividend (or loss) for 2002. For annuitants who participate in the variable, the variable portion of the annuity will see about a -28% loss. Again, these are preliminary figures until the actual calculations are available in February.

Faculty and Academic Staff Pay Plan

As reported at the last AS Reps teleconference the BOR established the 2003-05 unclassified compensation distribution guidelines at their December 6 meeting. Institutions have been asked to submit their distribution plan to UWSA by March 1, 2003 for review and approval. I have received a couple of calls inquiring if the March 1 date will be moved back. We need to stay with March 1. Institutions need to have an approved plan by UWSA that provides the lead time necessary to complete faculty and academic staff evaluations by July 1, 2003. Having evaluations completed by July 1 will enable adjustments to be retroactive to July 1 if there is a delay in JCOER approval of the unclassified pay plan.

No date has been set at this point for the BOR to act on a specific 2003-05 pay plan recommendations for faculty and academic staff. The request is being delayed until

the Governor presents his budget. Also, because tuition has been one of the only sources to fund the unclassified pay plan, work must be done on accessing the impact of various tuition options. None of this is easy during this very difficult and uncertain budget period.

Classified Represented Contracts

As reported last month, 15 of the 19 state classified bargaining units have reached a tentative agreement on a new contract. At this point no JCOER meeting has been scheduled. The Legislative Fiscal Bureau (LFB) has completed an analysis of the fiscal impact of the tentative settlements. The new co-chairs of JCOER (Rep. Gard and Sen. Lasee) must agree to call a meeting. The LFB report issued this week concluded there is enough money in the compensation reserve to cover the agreements, but it's recognized that some of the cost has been shifted to state agencies. Some proposed adjustments won't occur until April of this fiscal year which reduces the cost in this fiscal year but will need to be fully funded in the future. The question is when those costs are annualized and are carried forward into 2003-05 will the State fully fund the adjustments.

Status University Insurance Association (UIA) Plan

A consultant (the March Firm) was recently retained by the UIA Board to prepare an RFP that will be used to solicit bids for a new insurance underwriter. The timetable is to have a new plan in place by August 20, 2003.

Status Individual Family Life Insurance Plan

A contract was signed with the AON Consulting firm which prepared an RFP to select a new underwriter. The bid process closes on January 22, 2003. The timeline is to have a new plan in place effective May 1, 2003.

Status Dental Blue

The decision has been made to replace Dental Blue 160 with Dental Blue 186. There are about 3000 UW employees affected so it was important to move quickly. The new plan was effective 1/1/03. There will be an open enrollment for employees starting February 3. It should be noted that this is the first benefit plan that provides domestic partner coverage.

Legislative Update

Linda Weimer, Vice President for University Relations

University Relations staff has been busy meeting and orienting the new legislators. Governor Jim Doyle is assembling his budget and it will be a fairly "painful" one. He has reiterated his pledge to "no new revenues" and the UW is bracing for cuts.

The Senate and Assembly committee memberships have been set. The chair of the Assembly Colleges and Universities Committee continues to be Rep. Rob Kreibich (R-Eau Claire). Other members include Mark Gottlieb (R-Port Washington), Gregg Underheim (R-Oshkosh), Steve Nass (R-Whitewater), Sue Jeskewitz (R-Menomonee Falls), Judy Krawczyk (R-Green Bay) and Debi Towns (R-Janesville). Jennifer Schilling (D-LaCrosse), Mark Pocan (D-Madison), Larry Balow (D-Eau Claire), Spencer Black (D-Madison) and Marlin Schneider (D-Wisconsin Rapids).

The new Senate Higher Education and Tourism Committee chair is Sen. Sheila Harsdorf (R-River Falls). Other committee members are Dale Schultz (R-Richland Center), Rob Cowles (R-Green Bay), Chuck Chvala (D-Madison) and Roger Breske (D-Eland).