



University of Wisconsin - Eau Claire

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February 15, 2011

via electronic mail

TO: Representative Kathy Bernier
Senator Terry Moulton
Representative Warren Petryk
Senator Kathleen Vinehout

FROM: Brian Levin-Stankevich
Chancellor

RE: Governor Walker's Budget Repair Bill

As you know, the University of Wisconsin-Eau Claire is consistently ranked by national publications as one of the best and most affordable regional public universities both in the Midwest and entire United States. There are many measures that point to the excellence of a UW-Eau Claire education, including a recent survey indicating 99 percent of young alumni have a positive view of their alma mater. We already have helped create jobs in Wisconsin and save and grow local businesses through unique enterprises like our Materials Science Center.

These standards of excellence and "customer" satisfaction are overwhelmingly attributable to one thing: the professionalism and dedication of UW-Eau Claire faculty and staff in their service to our students and community.

As the chief executive of one of the Chippewa Valley's largest employers, I am writing to inform you of some of the impacts of the proposed budget repair bill submitted to the legislature by Governor Scott Walker and also to provide you with insight into how that proposal has been received by State of Wisconsin employees on our campus.

The budget repair bill will have an immediate and significant economic impact for all UW-Eau Claire employees, both those represented by unions and those who are not.

Here are the facts:

- UW-Eau Claire has 419 permanent/project classified staff. The median salary for this group is \$31,540. Under Gov. Walker's budget repair bill, for a classified employee making \$31,540, the increase in Wisconsin Retirement System contributions would be \$1,766 annually. The annual increase in health insurance costs would be approximately \$700 for employees with single coverage or approximately \$1,752 for those carrying a family plan. (The exact amount of an employee's health insurance increase will depend upon the employee's particular insurance plan.) The total annual reduction in take-home pay would range from approximately \$2,466 to \$3,518, or from about 7.8 percent to 11.2 percent.

Excellence. Our measure, our motto, our goal.

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- UW-Eau Claire has 810 unclassified staff (faculty, academic and administrative staff). The median salary for this group is \$53,217. Under the budget repair bill, for an unclassified employee making \$53,217, the increase in Wisconsin Retirement System contributions would be \$2,980 annually. The annual increase in health insurance costs would be approximately \$700 for employees with single coverage or approximately \$1,752 for those carrying a family plan. (The exact amount of an employee's health insurance increase will depend upon the employee's particular insurance plan.) The total annual reduction in take-home pay would range from approximately \$3,680 to \$4,732, or from about 6.9 percent to 8.9 percent.
- UW-Eau Claire has 88 limited-term employees who participate in the Wisconsin Retirement System and 40 limited-term employees with state health insurance coverage. For UW-Eau Claire LTEs, the median base salary is \$25,140. The governor's budget repair bill, if passed, would prohibit limited-term employees from being eligible for health insurance and from participating in the Wisconsin Retirement System.

In addition, I would remind you that for the past two years, UW-Eau Claire employees have been helping the state balance its books through 16 furlough days which resulted in a net loss of more than 3 percent of gross pay per year.

Reductions in wages have undoubtedly resulted in reductions in spending by our employees and their families. The increased benefit contributions required by the budget repair bill will undoubtedly result in even less spending by our employees. One study (Institute for Wisconsin's Future) estimates the contribution increases for UW-Eau Claire and other public employees will result in lost spending of more than \$30 million in Eau Claire and Chippewa Counties. This will certainly have an adverse impact on local businesses as they struggle to recover from the economic downturn.

While there is an economic cost to the community for this budget repair bill, the human cost is considerably higher.

In the many, many e-mails I have received from faculty and staff regarding this issue, the overwhelming majority have said they would have been more than willing to make additional contributions to their pensions and health care benefits if they had been asked to do so. They have expressed emotions ranging from disbelief, to dismay to outright betrayal that their employer, many of whom they have served for decades, did not even extend to them the courtesy of having a discussion about how they might be able to help solve the state's budget dilemma.

Instead of being viewed as being a partner in the solution, our employees instead feel they are being portrayed as being *the* problem. They see daily the sponsored rhetoric that pretends that there are two kinds of people in Wisconsin, taxpayers and public employees. It is important to remember that UW-Eau Claire faculty and staff are not only Wisconsin employees, they are Wisconsin taxpayers, and parents, and neighbors, and volunteers.

What has been an especially difficult part of the budget repair bill for our employees to understand is the seemingly arbitrary provision to strip LTE's of WRS and health insurance benefits. LTE's already have no vacation or sick leave benefits, and they are among our lowest paid employees. The majority of LTE's are women. The negative impact this bill will have on these employees and their families (and our communities) far outweighs the relatively small return to the state.

While I and our employees recognize you must make difficult decisions regarding the state budget (both the budget repair and 2011-13 budget bill), please carefully consider the consequences of your actions. Our University faculty and staff solve problems for this state and its citizens every single day. There is no doubt that, if asked, they could contribute to an equitable solution to the state's fiscal challenges.

Thank you for your attention to our fellow citizens who do a great job of serving the great State of Wisconsin.

Forward Wisconsin!