The Norman Campus Budget Council wishes to offer the following encouragement and guidance in your attempt to improve Faculty and Staff compensation for FY2005.

We know that you are aware of the indirect salary reductions caused by the combination of inflation and a lack of raises. Although inflation is averaging at a low rate of around 2% per year, the accumulated effect is to a point that most OU employees are being forced to make significant adjustments in their lives. The most severely impacted are lower paid employees with families that rely on our group health insurance for medical care. Our health care costs have increased far beyond average inflation since our last raise. The increase in the annual high option premium for a spouse alone has been over $1800 during this period. In addition co-pays have gone up as well.

We also know that you are working diligently to find sources of revenue to raise salaries and restore our personal budgets to their previous levels. We truly thank you for your efforts as our President and want to encourage your success with these efforts.

After consulting with the Faculty Senate's Compensation Committee and the University's Employment Benefits Committee we offer the following input:

- As much of the FY05 budget as possible should be directed to a salary program.
- A combination raise, percentage across the board and merit, is needed at this time to maintain continued commitment of faculty and staff to OU's mission.
- To alleviate some of the severe family budget stress on our lowest paid employees all raises should be above some minimum, e.g., $1,000/employee.
- Some departments have serious compression/inversion problems that must be addressed on the basis of merit.

Additionally the Budget Council offers the following long-term guidance:

- Faculty salaries within departments will continually be compressed/inverted unless a source for a small but continuing annual raise is found.
- An increase in promotion raises is an essential step in addressing compression among the ranks and rewarding merit.
If we need to make any clarification in the above we will be glad to do so. We again would like to take this opportunity to applaud your successful efforts to pursue additional revenues for FY04 and to educate the citizens of the State about the necessity for tuition increases. We support your efforts and your good judgment in maintaining a quality university for Oklahoma in these lean times. We hope that you find our recommendations useful.

The following are the 2003-2004 voting members of the Budget Council, Norman: Lou Ann Copeland, Keegan Drake, Victor E. DeBrunner, Ron Kantowski, Ben Keppel, Glen Krutz, Zach Osko, Cindy Rogers, Craig St. John and Ginger Wetz. Additional information about the Council can be found at http://www.nhn.ou.edu/~ski/BC/.