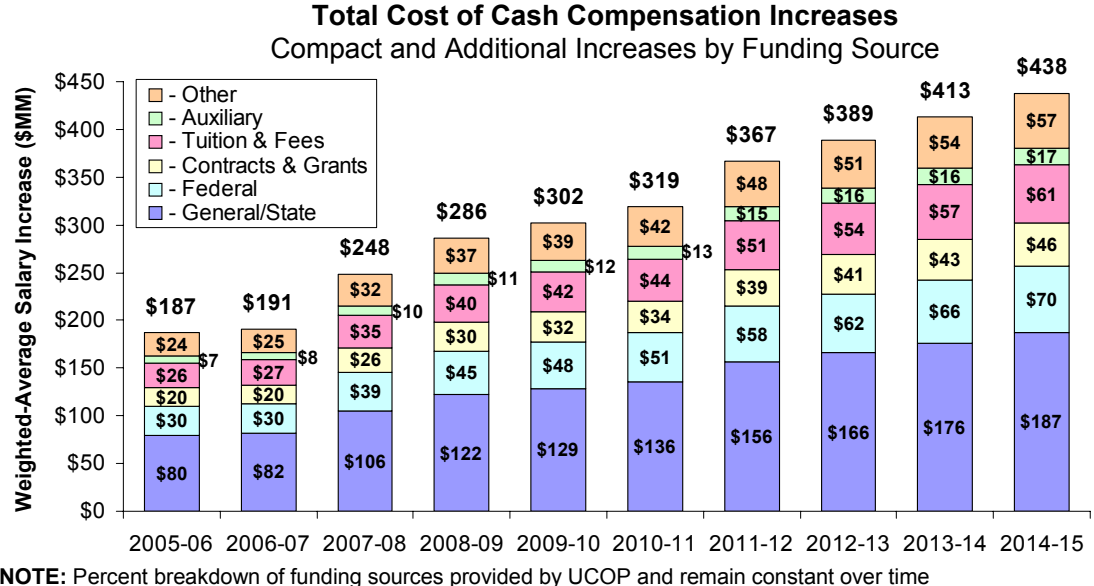
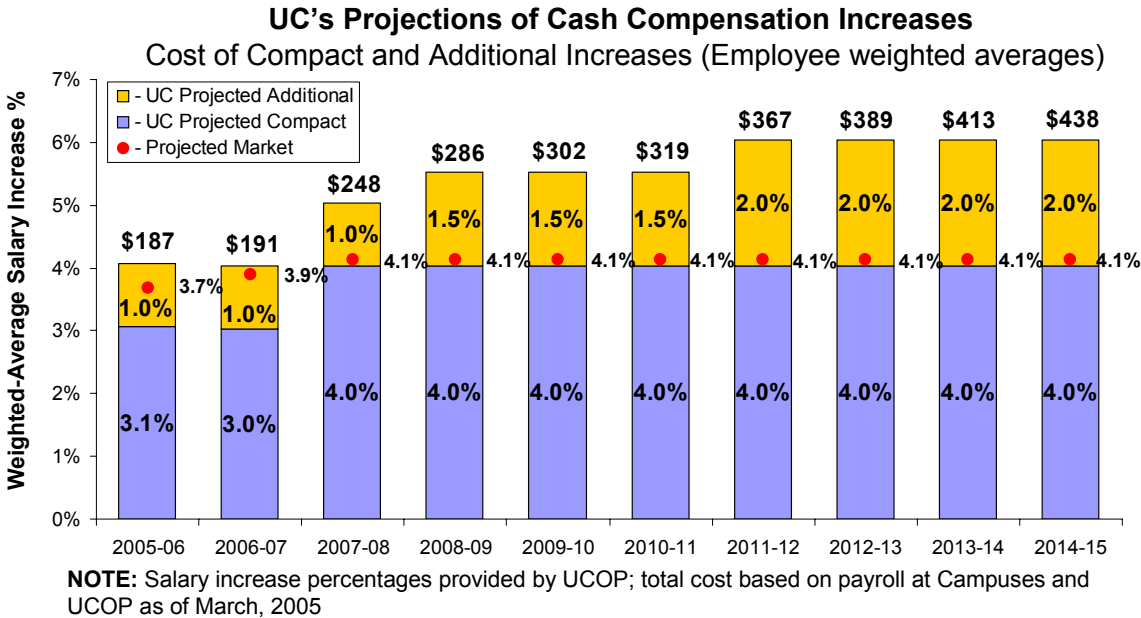


**RECOMMENDATION A:** TO ESTABLISH GOALS TO OBTAIN, PRIORITIZE, AND ALLOCATE FUNDS, TO THE EXTENT THEY ARE AVAILABLE, TO INCREASE SALARIES TO ACHIEVE MARKET COMPARABILITY FOR ALL GROUPS OF EMPLOYEES OVER THE TEN-YEAR PERIOD FROM 2006-2007 THROUGH 2015-2016.

The following tables show the proposed goals for *cash* compensation and sources of funds over the next ten years to achieve market comparability. The *total* cost of achieving comparability (in current dollars) is \$2.5 billion using a 4.0 percent growth rate.



In summary, the recommendations will result in the following actions, which are described in more detail in the policies, priorities, and process for senior leadership discussed in Recommendation B and Appendix 1 (attached).

The University will actively pursue obtaining additional funds from State and all other resources.

The Regents will determine annually the amount of funds available for this purpose to be allocated to each campus and to the Office of the President.

The Regents will set annually Universitywide and campus-specific funding levels and priorities for the use of funds, as recommended by the President, for all groups of employees, considering such factors as total compensation discrepancies, retention, recruitment, performance, and other matters.