Morehead State University's board of regents took 10 minutes yesterday formally to hire educator A.D. Albright as interim president but spent more than three hours ensnarled in questions about the school's Appalachian Development Center and faculty salaries.

Albright, 73, will succeed Herb F. Reinhard Jr., who will leave June 30 after a stormy two-year stint to become the president of Frostburg State College in Maryland. Albright, a former president of Northern Kentucky University, will serve at Morehead until a successor is named, probably by Jan. 1. He will be paid at a monthly rate equal to $66,000 a year.

Former Gov. Edward T. Breathitt, a Morehead regent and the chairman of a panel seeking a permanent president, said 75 applications for the job had been received so far. The deadline for applications is July 1.

Albright, who has been on campus much of the last week, was hired at $275 a day to work with Reinhard during the transition. He said he planned to travel extensively in northeastern Kentucky to talk with school superintendents and others "to find out what they expect from Morehead State University."

Reinhard's clashes with the 10-member board prompted Gov. Martha Layne Collins earlier this year to ask the eight appointed regents to resign. All but one did. So yesterday's approval of a $40.4 million 1986-87 budget was the first time seven of the regents had a formal say in the shape of Morehead's spending plans.

The budget had been scheduled for approval by the regents at their May 16 meeting but was delayed until members had more time to study the fine print.

Questions about faculty salaries dominated much of the board's time yesterday when an ad hoc committee recommended changes in the way Morehead handles former administrators who return to teaching.

The issue is a delicate one because Morehead's 300-member faculty includes 33 former vice presidents, deans and department heads who either voluntarily returned to teaching or were forced to return. In most cases, those returning to the classroom receive salaries considerably higher than those who never left.

In one example, reported by the committee, two former Morehead administrators with master's degrees and nearly 20 years at the university are receiving salaries at the rank of assistant professor that are higher than
those of the two highest-paid Morehead professors of the same rank who never left the classroom. The former administrators are being paid $43,549 and $41,744, compared with $29,400 and $28,618 for the highest-paid assistant professors.

As a result, the regents approved key changes in the way they handle pay and faculty assignments for administrators but delayed other changes until a board meeting July 18.

One of the major budget questions yesterday was a reorganization of Morehead's Appalachian Development Center into an "institute for public service and Appalachian development."

The reorganization, designed to streamline the university's regional public service work, has triggered letters to the regents. One such letter, alluded to yesterday, spoke of a power struggle over the center, set up in 1978.

Former Gov. Louie B. Nunn, the board's chairman, and other regents quizzed Director Donald L. Fogus at length about the center's operation and accomplishments.

Fogus told the board that the center originally focused on Appalachian studies, research and business development, particularly in working with area development districts in Eastern Kentucky. But, he said, the center had been handicapped by the shifting of its staff members to other divisions within the university.

Reinhard and Roberta Anderson, Morehead's academic affairs vice president, said the new institute, earmarked for $249,704, represented an expansion and streamlining of Morehead's public service programs.

Under a timetable drawn by Ms. Anderson, the institute would, among other things, schedule special programs in communities in Morehead's service area on such topics as horticulture, regional history and nutrition. The institute would also examine such issues as water quality, downtown renovation and geriatric services as areas in which university expertise could be used.