



ADDITIONAL NOTES FROM THE BOARD OF REGENTS MEETING

June 17, 2021

ALREADY AVAILABLE INFO

- [Quarterly meeting agenda book](#) from 6/17/21
- Audit committee [agenda book](#) from 6/17/21
- President's email (titled "Employee Communication—June 17, 2021")
- Personnel roster 2021-2022 (available in hardcopy in the library, along with previous personnel rosters)

FURTHER INFORMATION

The President's 6/17/21 email covered most of the important points (regarding notification letters, promotion, property updates, and branding initiatives). It also included a point not addressed in the meeting (living and learning communities in residential halls).

This communiqué (which will serve as the Faculty Regent report) will address questions I've been asked regarding tuition increases, stimulus funds and the budget, organizational charts, and compensation/pay raises.

TUITION INCREASES

BOARD BOOK (FROM P. 105)

“Given the need to provide sufficient revenue to offset inflationary increases and other operating cost increases, and to account for fluctuations caused by the COVID-19 pandemic, a 1.25 percent increase for undergraduate students is included in the recommended base tuition rate for 2021/2022.”

“The 2021/2022 tuition and mandatory fee schedule includes a recommended increase in the Mandatory Student Facility Fee from \$5.00 per credit hour with a maximum of \$60 per academic term to \$7.50 per credit hour with a maximum of \$90 per academic term. The increase in the Facility Fee combined with the 1.25 percent increase for undergraduate students is within the 2 percent increase parameter set by CPE for undergraduate resident student.”

CPE ANNOUNCEMENT (6/25/21)

The rate changes apply to tuition and mandatory fees for resident, u

- University of Kentucky – 1%
- University of Louisville – 1.7%
- Eastern Kentucky University – 2%
- Kentucky State University – 0%
- Morehead State University – 1.9%
- Murray State University – 0.9%
- Northern Kentucky University – 1%
- Western Kentucky University – 1.8%
- Kentucky Community and Technical College System – 0%

STIM FUNDS AND THE BUDGET

- Stimulus funds have been used to offset costs of the pandemic (including the need for new tech) as well as lost revenue; MSU continues to use the funds it was allocated.
- Stimulus funds helped, but our conservative budgeting is what saved the day. As the President told the Staff Regent, our finances would have been solid without the federal aid.
- We continue to restructure and reduce debt while we increase our savings. The most recent debt restructurings have allowed us to reduce our debt by \$988,720, and we continue to “carve out money” in order to place it in budgeted reserves.

ORGANIZATIONAL CHARTS

I was asked, in advance of the BOR meeting, if the organizational charts in the [BOR Agenda](#) would be corrected. I posed this question in a 6/10/21 email to the President (and the other internal regents). This was the President's reply (sent in a 6/11/21 email):

The organizational chart in your Board packet is provided circa late May and is based on known moves/changes at that point – this is consistent with what we have done in the past. There is typically a time gap between late May development and throughout the summer as transitions take place on campus, people retire/leave, are hired, shifted, etc. – and that slightly changes the organizational chart every few months. This would hold true of any annual window and budget cycle.

COMPENSATION: “COMPRESSION”

- The “compression piece” of the President’s compensation plan is on p. 113 (p. 117 of the pdf) of the [Quarterly agenda book](#).
- This piece, which has been in process for some time (note: it was pulled from the March 25th BOR agenda because the President was still finalizing particulars), is now denoted as a plan to deal with inversion (as opposed to compression overall).
- The specifics, as outlined in the agenda book, contain notable exceptions.

EXCEPTION #1: FULL PROFS

Full professors were considered in the plan, but the parameters of inclusion privilege longevity over rank:

- *“As a second level of review, faculty salaries within the rank of Professor were reviewed to determine if any Associate Professor promoted within the past five years was receiving a higher salary than that of a Professor, after considering the raises earlier approved for the upcoming year based on years of service. If such an inversion existed, the Professor’s salary was adjusted to the minimum of the Associate Professor up to a maximum \$4,000 increase in total adjustment for both levels of review. The five-year window was used to account for market inversion as compared to salaries of longer serving Associate Professors that encompassed longevity and merit increases” (p. 113 of [Quarterly Agenda Book](#)).*

The “five-year window” limits the number of full faculty who may be considered as suffering from inversion while privileging time served at the institution over time in rank. (Long-serving associate professors who elect to go up for full, as the President has urged them to do, have the opportunity to further leapfrog over “younger” faculty who have already achieved the highest faculty rank.)

EXCEPTION #2: FUNDING

The initial proposal/idea for compression (which is now a plan to address select inversion) was a pool of \$100,000. At the March 25, 2021 Board of Regents meeting, when the President removed the “compression piece” from the agenda, he noted that the new plan would include a \$200,000 pool. The stated number in the [6/17/21 Quarterly Agenda Book](#) is much smaller:

- *“It is recommended that the Board of Regents authorize the University President to implement faculty salary increases based on the above parameters. The estimated cost is \$40,000, plus associated fringe” (p. 113).*

EXCEPTION #3: NURSING

The \$40k total excludes the Department of Nursing. Again, from the [Quarterly Agenda Book](#): “This plan includes all academic faculty with the exception of the Department of Nursing” (p. 113).

According to the President:

- Nursing is an exception because of severe market pressures.
- The personnel roster the Board voted on included “some of what is happening in Nursing.”
- The total pool for Nursing will be \$102k, plus associated fringe.

QUESTIONS REGARDING AMOUNTS

I asked a number of questions to clarify the pool total and its documented allocation. The President's responses are summarized below:

- The final tally is around \$160k to 170k—an amount which includes the \$40k [plus fringe] for faculty outside of Nursing and the \$102k [plus fringe] for faculty in Nursing.
- The \$40k [plus fringe] for faculty outside of Nursing is reflected in the personnel roster the BOR approved during the meeting.
- “Some” of the tally for Nursing is reflected in the roster.
- The President “does not envision” re-printing the roster.

WHAT ROSTERS SHOW

According to Ms. Fister-Tucker (who provided the President with a correction to a statement he had made to the opposite effect earlier in the meeting), the 2021-2020 personnel roster includes the \$40k [plus fringe] allotted to faculty outside of Nursing.

The 2021-2022 roster also includes roughly \$79k more in salary allotments for Nursing than were allocated for the same positions in the 2020-2021 roster. If raises associated with the first part of the compression plan are removed (tallied as any salary increase up to an including \$1200), the total is roughly \$48k.

Using my own “back of the napkin calculations,” and relying on Ms. Fister-Tucker’s assertion re: the \$40k, I can contend that the 2021-2022 personnel roster includes roughly \$88k in allotments to address “market inversion.”

WHAT ROSTERS DON'T SHOW

The rosters do not show the full final tally for the President's compensation plan. Here's why:

1. Personnel rosters only include base salaries, not “accompanying fringe.” (The President includes this fringe in his final calculation.)
2. Raises are included in base salaries of individual roster lines—they are not recorded separately in the personnel roster (meaning the only way to determine the total of a raise is to subtract the salary of the budgeted roster position from 2020-2021 from the listed salary of the budgeted roster position in 2021-2022).
3. Official rosters are “snapshots” that can be amended and changed. The Board voted to give the President the power to enact his plan, and the President stated that the full consequences of his plan were not evident in the printed materials provided to the Board.

QUESTIONS RE: PROCESS

The BOR agenda book listed approval of the roster and the budget before the approval of the President's "Compensation Plan to Address Faculty Inversion." This means that the Board was potentially being asked to approve the consequence of the plan (reflected in the compensation outlined in the budget and roster) before approving the plan itself.

In response to my specific query, the President stated the \$40k was not reflected in the roster. The Board then voted on the budget, roster, and plan, approving them all. (Note: I am prohibited by state statute from voting on faculty compensation plans, so I only voted on the budget and roster.)

After the vote (on the budget, roster, and plan) and a meeting break, the President informed the Board that the \$40K *had* been included in the personnel roster (Ms. Fister-Tucker, who was in attendance, informed him of this during the break).

At the end of the meeting, during the Board's self-evaluation, I noted my regret regarding the vote sequence, and I asked the other Board members to provide me with guidance for effective communication, as this was not the first time I was unable to ensure clarity and precision before a Board vote.

MID-YEAR RAISES? MAYBE. . .

In a budget overview (which included more information than what is in the agenda book), Ms. Fister-Tucker noted that there was a pool of \$350k set aside for mid-year raises.

- The “date” for these raises was listed as “October 2021.”
- The possibility of a raise is predicated on budgetary factors that were not specified during the meeting (so there’s a “plan” for a mid-year raise, but there are unspecified factors that could derail this plan)
- Bringing the lowest-paid employees up to a certain threshold (not specified) is a “priority.”
- When asked (by me) what other criteria or guidelines were being used to determine allocation (across the board raises? targeted staff income? targeted faculty increase? further redress of compression? merit? COLA?), the President stated no determinations had been made because he “need[s] to run numbers.”

PRESIDENTIAL PAY

The Board is very pleased with the President's performance, and most members wish to revisit his compensation package.

The President's contract (which I have not seen) includes a stipend for housing. In 2019 (before my official term on the Board), the President declined to accept his housing stipend. Members of the Board would now like to "impel" the President to take this stipend because they are concerned that he "has given himself a pay cut." No official action was taken (because even a retroactive payment of funds the President declined from 2019 on does not amount to a new compensation package).

Note: the Board also extended the President's contract another year (through 2025). I abstained from voting because I have never seen the contract, and hence do not have enough information to make an informed decision on its extension.

STIPEND TOTAL?

Exact figures were not stated during the Board meeting. The number that was bandied about was somewhere between \$2800 and \$2900. When I asked about payment method, another Board member informed me that figure for housing funding was a *monthly allotment,* not a grand total. Some members of the Board expressed concern that this (monthly) figure would not fully cover all housing costs, and they asked that the Board take up this compensation issue at a later date.

QUESTIONS OR CONCERNS THE FACULTY REGENT SHOULD ADDRESS?

Please let me know if there is any further information I can provide, or if there are questions or concerns you would like me to address.