

From: Faculty Senate Budget Committee

Members: Dave Eakin, [Chairperson], Allen Ault, Edmund Fenton, Jane Rainey, Alice Jones, Joyce Wolf, and Carolyn Siegel [Ex-Officio]

To: Executive Committee of Faculty Senate

Subject: Proposed Motion [April 20, 2005]

### Background:

This year the Budget Committee for Faculty Senate was charged with studying the current structure and rationale for Summer Salaries at Eastern Kentucky University. As a part of this study we gathered information from our 2004-2005 Benchmark Institutions, our fellow Regional Universities, the Provost, and other key administrators charged with the administration of the Summer Program. This included Dr. James Chapman, Interim Provost and Vice President; Deborah Newsom, Interim Vice President for Financial Affairs and Treasurer; Christine Bogie, Manager, CEO Development; and Rhonda Wheeler, Senior Director of Continuing Education.

### Motion:

The Faculty Senate Budget Committee makes the following motion:

Summer school salaries should be adjusted to 10% of the base salary for nine-month, full-time tenure track or tenured faculty [for each 3-credit hour course]. No salary cap should be applied. No more than three courses [9 credit hours] can be taught during the entire summer.

### Rationale:

Based on our Final Report we believe that EKU is woefully behind all of our benchmark institutions – and our fellow regional institutions - with regard to Summer Salaries. 9.53% is the average salary for our Benchmark Institutions – none of which have a salary cap. This adjustment will make us more competitive in attracting the finest available instructors for our Summer Courses.

In addition, since there is no current way to monetarily reward instructors with high merit – we recommend that departments reward professors with high merit - and significant contributions to programs - by allowing them first shot at summer courses.

EKU Faculty Senate  
Summer Salary Survey  
Spring 2005  
Final Report to Executive Committee

Review Committee: Dave Eakin, Chairperson

Members: Allen Ault, Edmund Fenton, Jane Rainey, Alice Jones, Joyce Wolf, Carolyn Siegel [Ex-Officio]

Introduction:

The Budget Committee of the EKU Faculty Senate was charged to compare our current policy for determining summer salary compensation. We have gathered information from two sources: [1] other regional universities in the Commonwealth, and [2] our current benchmark institutions [2004-2005].

Current EKU Computation for Full-Time Faculty:

Previous academic year base salary x 7.0% = summer salary for a 3 semester hour course. The current maximum salary allowed for summer for a 3-semester hour course is \$3750.

Methodology:

The institutions were divided among the committee members for contact. In each case they were asked for their current policy for calculating summer salaries. Twenty-one of our target institutions responded. At present, we have not received information from four of the benchmarks.

Reimbursement formulas fall into three general categories:

#1 Schools that use a fixed percentage of the current salary - multiplied by the number of credit hours.

#2 Schools that use a fixed percentage of the current salary – multiplied by the number of credit hours yet *retain a cap* on the total amount paid per course.

#3 Schools that pay a flat amount of money per credit hour.

Note: for the purpose of comparative analysis - all formulas have been converted to percentages. For example, institutions that pay one month's salary for a three-hour course are the equivalent of 11% [100/9].

Of our benchmarks, eleven of the sixteen responding fall into category #1, one is in category #2, and four fall into category #3. Of our regional institutions, *Murray State University* and *Morehead State University* are in category #1, while *Eastern Kentucky University*, *Western Kentucky*

University and Northern Kentucky University are in category #2. Kentucky State University is in category #3.

Of the institutions that use a fixed percentage of the current salary – there is a significant variation in that percentage. This is reflected in the following table:

Table #1

Summer Salary Comparisons By Percentage of Nine-Month Salary [per 3-hour course]							
							YSU
				UNCG			EIU
		Ball State		SEMO			ISU
		ISU		NMU	NKU		UNI
MSU*	EKU	MSU**	WKU	KS	CMSU	EMU	WIU
6.0%	7.0%	7.5%	8.0%	8.3%	9.0%	10.0%	11.0%

MSU\* - Morehead State University

MSU\*\* - Murray State University

At present, Eastern Kentucky University *falls below all* benchmark institutions, and *all but one* of the regional universities [Morehead State University] based solely on percentage. Since there is no dollar cap at Morehead, EKU is the lowest of all institutions participating in the survey.

We have presented the data in an alternative form in which each institution can be compared using nine-month salaries of \$40,000, \$50,000, \$60,000 and \$70,000 respectively. Please refer to Spreadsheet #1. Note the average salaries for the benchmarks and the average salaries for the regionals, both by % and actual dollar amount.

#### EKU Compared To Other Regional Universities:

*Kentucky State University* pays a flat fee per hour based on rank. The highest amount would be paid to a Full Professor - \$2400 per 3-hour course. We don't know if there is a cap on the number of courses that can be taught in the summer.

*Morehead State University* has the lowest percentage – at 6% per 3-hour course. However, it is possible to teach a total of four courses during the summer terms. There is no dollar cap.

*Murray State University* uses a 7.5% rate per 3-hour course - with no dollar cap.

*Northern Kentucky University* uses 3%/credit hour – thus 9% per 3-hour course up to a cap of \$5,800.

*Western Kentucky University* uses an 8.0% rate per 3-hour course, with a maximum of \$3,750. This amount represents 8.0% of \$46,875. Thus, professors whose base salary exceeds \$46,875 actually begin lowering the rate they are paid - below 8.0%.

*Eastern Kentucky University*, using a 7.0% rate per 3-hour course, also has a dollar cap of \$3,750. This means a faculty member earning over \$53,575 will be making proportionately less than 7.0%.

As an example, based on a nine-month salary of \$46,875, a faculty member at WKU earns \$3750, a faculty member at Murray actually makes \$3515, at Eastern \$3281, at Morehead \$2812, and at KSU \$2400.

### Cost of Living as a Factor:

The Committee attempted to analyze the differences between communities with regard to the Cost of Living. Unfortunately, there are too many gaps in the data. Many cities are not included in the on-line resources. This is an important factor, however. For example, an ECU professor making \$50,000 while living in Lexington could save approximately \$6,600/year by living in Richmond; cost of living is much higher in Lexington. It was surprising to find that a professor making \$50,000 in Richmond would need to make \$60,000 to live in Bowling Green at a comparable level. The cost of living in Berea would be only \$500/year less than living in Richmond.

Interestingly, the available cost of living figures do not correlate consistently with the differences in the % rates for salaries.

### Professional Programs Requiring Summer Teaching Loads:

One serious issue that needs to be studied relates to professors who are required to teach programs requirements during the summer session – yet only receive summer salary compensation. When we asked about this concern, we found no other university that has addressed it. We are sure that the problem exists in nearly all of these schools. We were made aware that some programs hire new instructors on the condition that they must teach program requirements during the summer.

## Conclusions and Recommendations:

[1] After analyzing data from 16 of our current benchmark institutions and each of the regionals we found that Eastern Kentucky University is the lowest. Our colleagues have the lowest potential earning power due to: [a] the low percentage used in our formula, and [2] the existence and/or structure of pay caps.

[2] None of our current\*\* benchmarks have pay caps, and all use a higher percentage to calculate summer salaries.

[3] We recommend that the entire mission and structure of summer school instruction be reviewed at ECU. We use only about one-fourth of the physical capacity of our facilities during the summer, and 95%+ of our summer school students are continuing students. This immediately puts constraints on what courses are taught.

[4] In order to attract and better serve our students, while maximizing the use of our facilities, we recommend the establishment of both monetary and non-monetary incentives to attract and encourage faculty to become summer instructors.

[5] In conjunction with the above, we must expand summer teaching into potential markets that have been previously untapped. We must serve more than our continuing students if we are to make effective and efficient use of campus facilities – with the goal to make summer parking difficulties rival those of the fall semester.

[6] In light of our recent discussion of how to reward high merit performance of instructors in the absence of monetary compensation, we recommend that professors with the highest merit be given first choice to teach summer courses.

[7] We would recommend a university goal dedicated to attaining the highest possible percentage for our faculty. This goal should be part of our Strategic Plan.

[8] Since the average percentage for summer pay equals 9.53%, we recommend raising the % rate at ECU to 10% - up from the current 7%. In addition we recommend removal of the \$3,750 salary cap in order to be in line with the standard practice of nearly every surveyed institution.

[9] With reference to those programs requiring faculty to teach mandated courses year round, we recommend that the administration require those programs to hire faculty on 12-month contracts.

\*\* We were informed on March 23, 2005 that there is an imminent change in our benchmark institutions. We do not know which universities have been selected for comparison.