MEMORANDUM TO: Members of the Board of Regents

Mr. Albert G. Ross, Chairman
Dr. W. Gerald Edds, Vice Chairman
Dr. William G. Buckman
Mr. Ronald W. Clark
Mr. John David Cole
Dr. Chalmer P. Embry
Mr. Stephen L. Henry
Dr. W. R. McCormack
Mr. Hugh Poland
Mr. John L. Ramsey

This report is sent to you in accordance with the brief memorandum of October 6. In addition to refreshing the memory of earlier actions, discussions, and conditions, the information contained in the report may be helpful in clarifying any questions which anyone may have.

The following exhibits are provided as a part of this report, summarizing the actions taken by the Board of Regents since the time Dr. Thompson announced his resignation as President on May 21, 1969:

Exhibit No. 1 - Excerpts from minutes of meeting of Board of Regents, May 21, 1969

Exhibit No. 2 - Minutes of meeting of Executive Committee of Board of Regents, June 9, 1969

Exhibit No. 3 - Excerpt from minutes of meeting of Board of Regents, June 11, 1969

Exhibit No. 4 - Chronological listing of recorded actions taken by Board of Regents affecting salary and/or employment status of Dr. Thompson

Exhibit No. 5 - Copy of letter addressed to President Downing from Dr. Thompson on September 26, 1973

Exhibit No. 6 - Letter of response to Dr. Thompson dated October 9, 1973, confirming action taken by Board of Regents on September 29.
The following points are provided as further clarification of the status of Dr. Thompson as described in the enclosed documents, letters, and materials. Four members of the present Board were serving on the Board at the time of his resignation, and I am confident from the discussions which I have had with them dating back to May, 1969, Dr. McCormack, Mr. Ross, Dr. Embry, and Mr. Poland will confirm the accuracy of these statements:

1. When meeting with Dr. Thompson on the evening of June 9, 1969, the Executive Committee insisted that he not work for $1 per year as Dr. Thompson had stated he intended to do. As a result, the proposed plan as submitted by the Executive Committee to the Board of Regents (Exhibit No. 2 above) and officially approved by the Board was put into effect.

2. In his letter of September 26, 1973 (Exhibit No. 5), Dr. Thompson again expressed his willingness to remain as an employee of Western for $1 per year. I read that letter to the full Board of Regents prior to the meeting held on September 29, 1973. The Board was unanimous in expressing the feeling that Dr. Thompson was deserving of the maximum amount provided for under the options outlined. As a result, the President was instructed to incorporate option #1 (reduce salary from $21,660 to $10,830) into the salary schedule.

3. The response to the inquiry made to the Kentucky Teachers' Retirement System (Exhibit No. 7) confirmed that the level of compensation might be as much as one-third based on forty percent (40%) of full time under the interpretation they placed on the regulation. It has been on this basis that subsequent recommendations have been made for salary increments (1974-75, $11,426; 1975-76, $12,282).

4. In order to reaffirm the part-time employment policy of the KTRS and to verify the interpretation of the regulation regarding such part-time employment, I addressed a letter of inquiry on October 6 to Dr. Ted Crosthwait, Executive Secretary. That letter is enclosed as Exhibit No. 10, and Dr. Crosthwait's response is attached as Exhibit No. 11. The content of these communiques is self-explanatory.
5. I want to point out again that Dr. Thompson initially expressed the intent to receive the sum of $1 per year; however, he was prevailed upon to do otherwise. Also, he has expressed the willingness in his letter of September 26, 1973 (Exhibit No. 5), and again in his letter of May 5, 1975 (Exhibit No. 9), to have his compensation set at $1. In other words, he has agreed to serve at the pleasure of the Board of Regents.

In conclusion, I want to make some observations which I feel are pertinent and important. First, I would reiterate the comments contained in the resolution adopted by the Board of Regents on June 11, 1969:

"1. Resolution Relative to President Thompson's Resignation

WHEREAS, President Kelly Thompson, with forty years of service to Western Kentucky University, the last fourteen as president, submitted his resignation as president of the University to the Board of Regents on May 21, 1969; and

WHEREAS, the University during the presidency of Dr. Thompson has made unprecedented growth from a small college of 1,684 students to more than 10,500 students, and from a full-time faculty of 98, including 22 with the doctoral degree, to a full-time faculty of 502, including 206 with the doctoral degree; and

WHEREAS, the physical plant has grown from 20 buildings, valued at $10 million, to 60 buildings--including those under construction or in final plans--valued at approximately $94 million; and

WHEREAS, the University enjoys a reputation for its excellence as an institution of learning comparable with that of the best in the nation; and

WHEREAS, Dr. Thompson, through his dynamic leadership, through his untiring devotion to the interests of the students, the faculty and staff, and the alumni of Western Kentucky University, and through his vision and his designs for the continued growth and development of the University has left an imprint which can never be effaced; and

WHEREAS, throughout his career, Dr. Thompson has been recognized by the Commonwealth of Kentucky as one of its most distinguished citizens;

BE IT THEREFORE RESOLVED by the Board of Regents of Western Kentucky University in special session assembled on this June 11, 1969, that the resignation of Dr. Thompson be accepted with profound regret, and that it is the unanimous opinion of the members of this Board that we and the academic community, as well as thousands of Western alumni across the nation and in foreign lands, owe to Dr. Thompson a deep debt of gratitude for his dedication to the interests of Western Kentucky University throughout his tenure; that we extend our congratulations to him for the tremendous growth of the University under his
wise guidance, both in the improvement and development of the physical plant and in the expansion and strengthening of the academic program; and that we commend him for the goals he has attained and for the plans and purposes he has set forth for Western.

BE IT FURTHER RESOLVED that we extend to President and to Mrs. Thompson our best wishes for good health, for good fortune, and for many years of peace and contentment, and for success in all of their endeavors.

We direct that this resolution be entered on the records of this Board of Regents and that an attested copy, or copies, thereof be furnished to President and Mrs. Thompson, to the Governor of the Commonwealth, to the Kentucky Council on Public Higher Education, and to the news media."

Secondly, I want to express appreciation to Dr. Thompson, which I am sure you share with others who are genuinely interested in Western, for his continued dedication to the task of improving and strengthening the University. It is an inspiration to view the growth and development of the College Heights Foundation. Through his leadership and the widespread support given the Foundation, it has been possible to generate increasing financial assistance for deserving and needy students. This year, for example, there has been made available to the University Scholarship Committee from funds administered by the Foundation approximately $50,000. Six years ago, the amount made available was $5,537. During the past year, the College Heights Foundation has made loans totaling more than $149,200, enabling us to assist more students on an emergency basis. Six years ago, a total of $118,498 was made available for this purpose.

In addition, Dr. Thompson has continued to work with other University officials in various ways designed to move the University forward. This has been largely in the area of campus development and further refinement of the Master Campus Plan. Also, in other ways he may be called upon, particularly when he can provide helpful counsel growing out of his lifetime of experience on the Hill. I sincerely hope, as I am certain you do, that he will remain in good health and will be willing to continue to serve Western as he has done so effectively for almost a half century.

As I have discussed this matter with him in recent days, Dr. Thompson has assured me again of his unqualified willingness to serve Western with the same commitment and dedication regardless of the compensation. He asked me to convey to the Board of Regents this continued commitment.

If after receiving this report you have questions regarding any part of it, please let me know.

Sincerely yours,

Dero G. Downing
President

DGD:mch

Encls.
c: Miss Georgia Bates
Dr. Kelly Thompson
EXCERPTS FROM MINUTES OF MEETING OF BOARD OF REGENTS
WESTERN KENTUCKY UNIVERSITY
May 21, 1969

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After preliminary remarks, President Thompson read the following state-
ment to the Board:

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I wish to mention one important agency within the university which needs
attention. The College Heights Foundation since 1923 has been most valuable
in the life of Western through its student loan program, its custodianship of
scholarship funds, and its administration of other gifts for Western's benefit.
While it continues to serve well, it is very much in need of redesign and updat-
ing so that it may render an even greater service in the future. The officers
and Directors of the Foundation Board, of which I am chairman, fully recognize
this need.

During the unexpired portion of my present term, I would be happy to re-
main active on a part-time basis for this purpose, if you should so desire.
At the same time, should you so direct, I would try to complete a project that
would enable Western to be prepared for orderly expansion beyond its present
Master Plan. You will recall that such a project is a recommendation in the
President's Report of 1965. I regret that since 1965, I have not had the time
to develop this additional long-range planning. - - - - - - -

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The Board members, who had been informed by the President earlier in the
day of his plans to resign, again expressed their personal feelings of sorrow and
regret over his decision.

Following lengthy discussion, Dr. McCormack moved that official response
by the Board of Regents to President Thompson's statement of resignation be deferred
until a called meeting of the Board could be arranged, preferably during the first half
of June. The motion was seconded by Dr. Gilbert and carried unanimously.
Following additional discussion, Mr. Poland moved that the Executive Committee be empowered to represent the Board for the purpose of considering any and all matters brought about by the President's resignation—for recommending an appropriate response and for recommending a plan for future actions of the Board relative to the resignation—and that the Executive Committee be requested to report to the Board at its next meeting the results of its deliberations.
A dinner meeting of the Executive Committee of the Board of Regents was held on Monday evening, June 9, 1969, at 6 o'clock. Inasmuch as the Committee had requested President Thompson to meet with them, the meeting was held at the President's Home.

All members were present; namely,

Mr. Douglas Keen  
Dr. J. T. Gilbert  
Dr. W. R. McCormack

Also present was Miss Georgia Bates, Secretary to the Board.

The purpose of the meeting was to draft a report to be presented to the full Board at its meeting scheduled for June 11, as previously instructed.

Mr. Keen reported that a resolution accepting the resignation of President Thompson had been prepared. It was then agreed that the report would be presented in three parts--(1) the resolution, (2) recommendations regarding President Thompson's future services to the University, and (3) recommendations relative to procedures for appointment of president--and details of the latter two were agreed upon.

In connection with Subparagraph d of Part 2 of the report, the Committee was unanimous in the following decisions:

1. For the first year of President Thompson's employment for the assignments listed in his statement of resignation, he would receive a salary of $18,000. This amount is based on his 1968-69
salary of $33,500, plus an increment of $2,500 which had been previously agreed upon by the Board had the President remained in his present position for the coming school year.

2. Dr. and Mrs. Thompson would transfer their residence from the President's Home at 1536 State Street to the University property identified as the Dr. Earl Moore house at 1580 Normal Drive, with the same rights and privileges now being extended to them by Western. Dr. McCormack expressed the hope that President and Mrs. Thompson would remain at their present residence. President Thompson then explained why he felt it was necessary to have the President's Home ready for the new president at an early date this fall. Dr. Thompson was instructed to have the 1580 Normal Drive house renovated and redecorated in such manner as would be appropriate.

There being no further discussion, the meeting was adjourned at 10 o'clock.
Mr. Keen then presented the second part of the report:

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a. It is recommended that the president's services as proposed in his statement be accepted. (The Board of Directors of the College Heights Foundation on May 28, 1969, resolved as follows:

"Be It Therefore Resolved by the Board of Directors of the College Heights Foundation in a meeting on May 28, 1969, that the Board of Regents be made fully aware of the high esteem in which Dr. Thompson is held by the Board of Directors; and should the Board accept Dr. Thompson's resignation as president, the Board of Directors pledges support to the cooperative plan including the appointment of Dr. Thompson to a leadership role designed to strengthen, reorganize, and improve the College Heights Foundation so that it may render greater service to Western Kentucky University and particularly to its student body.")

b. It is recommended that the president during his work with the Foundation, and with the concurrence of the Board of Directors of said Foundation, retain the position of president of the College Heights Foundation.

c. It is recommended that the Board of Regents authorize a year's sabbatical leave for President Thompson to become effective this fall at such time as is appropriate. In connection with the leave, it is further recommended that the president be authorized to take the sabbatical in such a manner that will enable him to most effectively inaugurate the work with the Foundation and with the Foundation and with the Master Plan project.
d. It is recommended that the Executive Committee be empowered to work out such other arrangements and details as may become necessary relative to the change of duties of the president.

Mr. Keen moved for acceptance and approval of the recommendations regarding future services of President Thompson. The motion was seconded by Mr. Poland and, following discussion, carried unanimously.
Change in Salary, April 21, 1971
(Changes in faculty and staff salaries approved prior to adoption of operating budget.)

Board of Regents approved salary increase from $18,000 to $19,260 for 1971-72 school year, effective August 16, 1971. Vote was unanimous.

Change in Salary, January 26, 1972
(Changes in faculty and staff salaries approved prior to adoption of operating budget.)

Board of Regents approved salary increase from $19,260 to $20,460 for 1972-73 school year, effective August 16, 1972. Vote was unanimous.

Change in Salary, February 24, 1973
(Changes in faculty and staff salaries approved prior to adoption of operating budget.)

Board of Regents approved salary increase from $20,460 to $21,660 for 1973-74 school year, effective August 16, 1973. Vote was unanimous.

Change in Salary, September 29, 1973
(Changes in faculty and staff salaries approved following adoption of operating budget.)

Board of Regents approved salary reduction from $21,660 to $10,830, effective January 1, 1974. Vote was unanimous.

Change in Salary, April 27, 1974
(Changes in faculty and staff salaries approved as part of operating budget.)

Board of Regents approved salary increase from $10,830 to $11,426 for 1974-75 school year, effective August 16, 1974. Vote was unanimous.

Change in Salary, April 26, 1975
(Changes in faculty and staff salaries approved as part of operating budget.)

Board of Regents approved salary increase from $11,426 to $12,282 for 1975-76 school year, effective August 16, 1975. Vote carried with Dr. Edds, Dr. McCormack, and Mr. Poland abstaining.
September 26, 1973

Dr. Dero G. Downing, President
Western Kentucky University
Bowling Green, Kentucky 42101

Dear President Downing:

Following the conference which I had with you recently, I am submitting this letter at this time in order that you might have it available for discussion with members of the Board of Regents.

I will be 65 years of age in January, and I plan to become a member of teacher retirement at that time. I would, at the same time, like to remain as an employee of Western Kentucky University. Should you and the Board of Regents concur in this, there are no complications to prevent it.

I have had a lengthy conference with the Executive Secretary of the Teachers' Retirement System and his assistant. They have advised me that under the rules and regulations of the Retirement System, I can commit myself to working for Western from 30 to 33-1/3 percent of the time on an annual basis or up to approximately 40 percent on a 9-months basis, with the determination of reimbursement to be completely at the discretion of Western.

I, therefore, submit for your consideration the following, to become effective January 1, 1974:

1. Western reduce my present partial salary by half, changing it from $21,660 to $10,830.

2. Western reduce my present salary from $21,660 to $1.00.

3. Western reduce my present salary from $21,660 to any other amount within the range of $10,830 to $1.00.

If and when such salary is established, I would like to suggest that my major assignment be that of assisting the President of Western and/or his staff in any way possible in the area of long-range planning and development.
With this specific assignment, I could commit myself to the amount of time falling within the guidelines of State Teachers' Retirement. This then would leave me free to continue to give to the College Heights Foundation, but on a voluntary basis, such time and effort as needed to help bring it to its maximum potential.

As I have previously stated to you, I want to assure you that regardless of the amount of compensation which might be established, whether it be $1,00 or some other amount, I shall do my very best to make the greatest contribution possible in serving you and the Board of Regents and in helping Western to the fullest with whatever abilities and experience I may possess.

Sincerely yours,

Kelly Thompson
President Emeritus, Western
President, College Heights Foundation

KT/gb
October 9, 1973

Dr. Kelly Thompson  
President Emeritus  
Western Kentucky University  
Bowling Green, Kentucky 42101

Dear Dr. Thompson:

I am pleased to respond to your letter of September 26 and to advise you of the action taken by the Board of Regents at the meeting on September 29. I conveyed to the Board the desire you have expressed to assume retirement status and told them of your plans to become a member of teacher retirement in January, 1974.

I told the Board of Regents of your willingness to continue as an employee of Western Kentucky University and recommended that you be given a special assignment of assisting the President and/or selected members of the University staff in the area of long-range planning and development. Your employment status will be in accordance with the established regulations of the Kentucky Teachers' Retirement System whereby you are permitted to work for the University approximately one-third time on an annual basis, or 40 percent on a 9-months basis.

The time which you will devote to the above-mentioned duties and responsibilities and to other special assignments that may be made will be worked out on a mutually agreeable basis and in keeping with the rules and regulations of the Teachers' Retirement System. The annual salary to be effective at the time the plan is actuated will be $10,830, which is one-half your present part-time salary.

The Board of Regents was unanimous in giving approval to this recommendation. They were pleased to note also that you will voluntarily continue to give direction and administrative leadership to the College Heights Foundation. This important organization has made significant progress since you assumed the position of President of the Foundation, and it is gratifying to know you will be in position to continue the fine work there.

I am sending a copy of this letter to Mr. Largen and Mr. Tomes with the request that they work closely with you in the initiation of the plan outlined above.

Sincerely yours,

Dero G. Downing  
President

DGD/gb

cc: Mr. Harry K. Largen  
Mr. James B. Tomes
December 6, 1973

Mr. Pat N. Miller  
Deputy Executive Secretary  
Kentucky Teachers' Retirement System  
216 W. Main Street  
Frankfort, Kentucky 40601

Re: Dr. E. Kelly Thompson  
404-36-4642

Dear Mr. Miller:

As you know, Dr. Thompson will retire effective January 1, 1974.

The Board of Regents has requested that Dr. Thompson continue on a part-time basis in a special assignment of assisting the President and/or selected members of the University staff in the area of long-range planning and development. Dr. Thompson has agreed to serve in that capacity; his service will not exceed 40 percent of full-time, and his salary will be established at 25 percent of his normal full-time salary.

I would appreciate your confirmation that the arrangements outlined above are in accordance with the regulations of Kentucky Teachers' Retirement System. Thank you for your assistance and cooperation.

Sincerely yours,

Dero G. Downing  
President

cc: Dr. Kelly Thompson  
Mr. Harry Largen  
Mr. James Tomes
December 18, 1973

Dr. Dero G. Downing, President
Western Kentucky University
Bowling Green, Kentucky 42101

Dear Dr. Downing:

This is in response to your request for an evaluation of the proposed employment of Dr. E. Kelly Thompson after the effective date of his retirement. Kentucky Revised Statute 161.605 stipulates that retired teachers (members) may do part-time or substitute teaching in the public schools for the equivalent of seventy-five days in any one school year without reduction in retirement annuities. This office interprets this portion of the Kentucky Teachers' Retirement Law to mean that a retired member may be employed on a part-time basis up to forty per cent of a regular full time school year with no reduction of retirement annuities.

You have stated that Dr. Thompson's post retirement employment will not exceed forty per cent of full time and such an arrangement would have no affect on his eligibility for retirement benefits from the Kentucky Teachers' Retirement System.

Sincerely yours,

Pat N. Miller

PNM:jb
May 5, 1975

Dr. Dero G. Downing
President
Western Kentucky University
Bowling Green, Kentucky 42101

Dear President Downing:

This letter is in response to your salary letter of April 29.

I am returning the appropriate form but at the same time want to reiterate my complete willingness to have my salary, starting at any time, fixed at $1.00 per year for the remainder of the time which I might serve in the capacity as set up by the Board of Regents following my resignation from the presidency of Western.

In this connection, I would like to call to your attention the need to set in motion some long-range planning for the future of the College Heights Foundation. I believe that the success of our Memorial Fund since we established it on October 20, 1970, has been extraordinary when compared to similar efforts made by other educational institutions comparable to Western. I will report to the next meeting of the Board of Directors that this fund has grown from $226,546.08 to approximately $1 and one-half million.

The necessary impetuous has been provided, I think, to insure the continued growth of this fund. Regardless of future growth, however, current trust funds call for serious planning for proper administration throughout the future, especially concerning those who will be charged with the responsibility of administering these funds.

It is my belief that the overall reorganization which has occurred in the Foundation has provided Western with an excellent administrative structure for all facets of our work. I refer especially to

1. The present system of administering the loan program
2. Policies relative to the awarding of scholarships
3. Operation of the bookstore and laundry, and the
4. Overall general accountability of all funds with which the Foundation has responsibility

These facets of the Foundation, as well as the Memorial Fund, can be kept at a high level of administrative operation in the future only through dedicated efforts and capable administration.
Now. The time is rapidly approaching when the present administration, Miss Bates and I, will be stepping aside. It is of extreme importance that we begin to plan for that in mind, especially the selection of the best talent that can be found to put in charge of this program, and for us to make these decisions far enough in advance so that an orderly transition can occur. Let me hasten to assure you here that the reference to my stepping aside does not mean that I desire to do so abruptly. When the major responsibilities are turned over to others, I shall be happy to continue to help in any manner possible.

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Sincerely yours,

Kelly Thompson
President Emeritus, Western
President, College Heights Foundation

KT/gb

Encl.
October 6, 1975

Dr. Ted L. Crothwait, Executive Secretary
Kentucky Teachers' Retirement System
216 West Main Street
Frankfort, Kentucky 40601

Dear Dr. Crothwait:

You are familiar with the status of Dr. Kelly Thompson as a part-time employee of Western Kentucky University and the conditions under which he participates in the Kentucky Teachers' Retirement System. At the time Dr. Thompson applied for retirement benefits under the Teachers' Retirement System he expressed his willingness to remain an employee of Western with compensation to be fixed at $1 per year. However, in recognition of the outstanding contribution he has continued to make while employed on a part-time basis, the Board of Regents has established a salary which serves as partial compensation.

In order to prepare a written report to the Board of Regents, I am reviewing the files to make certain the records are complete. It will be appreciated, therefore, if you will reaffirm the regulations under which a part-time employee remains eligible for retirement benefits under KTRS.

The earlier interpretation under which the arrangements for Dr. Thompson's part-time employment were established stated that his service was not to exceed forty percent (40%) and his salary was to be limited to approximately one-third of the annual basis. These are the guidelines we have continued to apply to this case, and I want to make certain it continues to be in accordance with your interpretation.

It will be appreciated if you will respond to this inquiry at an early date. In the meantime, I invite you to contact me regarding any questions you may have.

Sincerely yours,

Dero G. Downing
President

DGD:mc

cc: Mr. Harry K. Largen
    Mr. James B. Tomes
October 8, 1975

Honorable Dero G. Downing, President
Western Kentucky University
Bowling Green, Kentucky 42101

Dear Dr. Downing:

This letter will serve to clarify the situation in regard to part-time employment of retired members of the Teachers' Retirement System and is in response to your letter of October 6 covering this subject.

The question of post-retirement employment in the Teachers' Retirement System is covered by Statutes (KRS 161.605) and by Board of Trustees Regulation 102 KAR 1:035.

The Statutes provide that a retired member of the System may do part-time or substitute teaching for the equivalent of seventy-five days in any one school year and receive compensation for same without reduction in retirement annuities. The Board of Trustees regulation attempts to define fractional service and to set up some guidelines for part-time service. Since public school teachers normally are employed for 185 days during a school year, our Trustees established 40% of full-time employment as the guideline for teachers employed on a regular term basis. For persons employed on a twelve month basis, the guideline of 250 days of work for a full-time employee was used with a resulting 30% of full-time employment meeting the requirements of our Statutes.

There is nothing in either the Statutes or the Regulations which specifies or limits the compensation to be paid for substitute or part-time employment. The assumption is that such compensation would be commensurate with the service performed and the time required in the performance of assigned responsibilities. In your particular case to which you refer in your letter, it appears that if this person is employed on an assumption of not more than seventy-five days of service during the fiscal year and the compensation was approximately 30% of what would normally be considered full-time employment for the position, then you would be in compliance with the Statutes and Board of Trustees Regulations. Since the duties assigned and the compensation for services are judgment matters, you and the Board of Regents would have the responsibility for determining fair compensation for the position concerned.
If you should desire additional clarification in regard to specific questions, please do not hesitate to contact me again.

Sincerely yours,

Ted L. Crosthwait
Executive Secretary
Teachers' Retirement System
of the State of Kentucky

TLC:ms