

# FACULTY REGENT NEWSLETTER

February 13, 1994  
by Ray Mendel

I have just concluded my first year serving as your representative on the Board. For this reason, because critical budget decisions are on the horizon, and because I believe we are entering a period of significant opportunity for substantive transformation of the nature of this institution, I am writing to you now.

## *The Salary Plan: Phase II*

We were all delighted last spring to see the Board recognize the magnitude of the faculty compensation problem and finally embrace a multi-year, specific plan designed to correct it. Both the President and the Board deserve credit for their complementary roles in this effort. My impression was that the President thoughtfully put in place a salary review process intended to produce a realistic assessment of where we were and where we needed to be. After substantial discussion, deliberation, and meaningful debate about the findings of the President's study, the Board committed the institution to a significant course of action over three years. Many of you expressed the view, which I share, that this course of action, together with the funds allocated for pc's, made an important and much needed policy statement about the value this administration and this Board intends to place on Western's fundamental instructional mission.

In May, with the timely arrival of our new contract letters, we saw the first hard evidence that the above action was more than rhetoric. Though, because of what turned out to be unrealistically low estimates of the 1993-94 salary increases of our benchmarks, we did not quite achieve the progress we had established as our target for the first year of the plan. Nevertheless, we did make modest advances toward our benchmarks. This past semester, with the arrival of our pc's, we had further evidence of what I believe is a renewed attention to our instructional mission.

The administration's actions over the next two years will test the extent of Western's commitment to its faculty and the quality of instruction our student's receive. Though certainly not easy, finding the funds for the first year of the salary plan was achieved without serious institutional restructuring. Realizing phases two and three of the plan requires far more significant change, change which it would seem, demands time consuming, deliberate advance planning. That planning is of course primarily the responsibility of the administration.

To date, the Board has neither been briefed nor has it been otherwise involved in this planning process. My understanding is that the university budget committee has had only one brief meeting since completing work a year ago on our current budget. I find these events unsettling!

The inactivity of the budget committee notwithstanding, President Meredith continues to assure me of his commitment to the salary plan. Phase II of this salary plan calls for increases averaging approximately six percent - seven percent if we strive to make up for last year's miscalculation regarding the salary growth of our benchmarks. The planning process the President uses to meet these targets should be his call as long as it produces acceptable outcomes. The President has offered his assurance about his intention to move aggressively forward in this area. On the basis of these representations and the President's performance last year, I expect the President will come forward with a budget consistent with the salary plan. I know you expect no less.

### *Health Insurance*

In response to the substantial increase in health insurance premiums required of us this year, many of you have voiced the opinion that Western took away with the left hand what it gave with the right hand. Obviously escalating health insurance costs are not unique to Western. However, after taking a preliminary look at the issue, it appears we may have particular cause for concern.

I contacted each of the other five Kentucky regional universities to ascertain the amount of each university's contribution to its employees' health insurance. What I learned is disturbing. The maximum annual university contribution per employee ranged from a high of \$4204.56 at Murray to a low of \$1244.28 at Kentucky State. Western was next to the lowest with an annual contribution of \$1347. The average for, Eastern and Northern, our "in-state" benchmarks is \$1845.30. Since we are not taxed on the

university's contribution to our health insurance, this shortfall is even more costly to us on an after-tax basis than a shortfall of the same dollar amount in our salary. Clearly we have a problem here. One of my immediate goals will be to see if we can encourage the administration and the Board to address this problem in our next budget.

### *Higher Education Review Commission*

In some respects, re-focusing on our instructional mission and its budgetary implications could not have come at a better time. In my view, the one very significant change which appears to have resulted from the Higher Education Review Commission's (HERC) efforts is a change in the funding formula. Our state funds are no longer expected to be primarily enrollment driven. Instead, graduation and retention rates will take on primary importance. From this change we may have gained a significant measure of flexibility for the internal re-allocation of resources.

However, the implications of HERC extend beyond internal resource allocation. We must anticipate the potential for serious erosion of our academic standards that could be fueled by a heightened emphasis on graduation and retention. With the new funding formula as a starting point, crafting policy which will substantially enhance the quality and value of a Western education offers both a significant challenge and an exciting opportunity. Initiated by the President, the administration and the Board have begun work on this question and will be engaging the faculty in this collaborative effort in the next few weeks. I will be visiting each college to discuss this and other issues with you shortly after the Board's next meeting on February 25.