

EXPENDITURES FOR ELECTIVE FRINGE BENEFITS  
Faculty Senate: Report of Faculty Status and Welfare Committee

The coverage that must be provided by WKU, and consequently the expenditure by WKU, for some fringe benefits are mandated by law. Included in this category are KTRS retirement, Social Security, unemployment insurance, and workmen's compensation insurance. While information of those expenditure amounts may be interesting, no action can be taken by WKU to change the amount that must be provided for in the annual budget.

The only fringe benefits analyzed in this report are those that are elective by WKU, either in offering or amount. The elective fringe benefits are health insurance, disability income insurance, life insurance, and tuition reduction plan for dependents. The law does not mandate the coverage that must be provided or the expenditure that WKU will make. For example, WKU's budgeted expenditure for medical insurance is determined each year by WKU in the preparation of its annual budget.

The CPE has designated 26 master's granting institutions as WKU's benchmarks. The WKU Office of Institutional Research has shared self-reported data of those universities' 1997 expenditures for fringe benefits for faculty on nine-month contracts. Data was available for 22 of the 26 institutions. WKU's expenditures for elective fringe benefits will be compared, on a per faculty member per month basis, to those of the benchmarks.

In 1997, WKU contributed \$147.25 per month to each employee's health insurance premium. (Note: WKU increased its contribution by \$4.75 per month in 1998. The benchmarks have not reported their 1998 increases). The benchmarks are ranked in the accompanying table by their monthly contribution to the health insurance premium. Contribution amounts are given for both health insurance and other elective fringe benefits (disability income insurance, life insurance, and tuition reduction plan).

WKU's monthly contribution of \$147 to medical insurance is \$143 below the benchmark average of \$290. Stated another way, WKU's contribution would have to increase by \$143, or 97% compared to its present amount, to reach the average level of the benchmarks. WKU's contribution is above that of two and below that of twenty benchmarks.

While WKU's contribution to other elective fringe benefits is below the benchmark average, the amounts are small relative to the insurance amounts.

Table: Contribution amounts per faculty member per month (ranked in order of health insurance contribution) (Note: Not reporting or reporting unusable data were Central State U., East Carolina U., U. of Memphis, and Western Carolina U.)

<u>Rank:</u> <u>Institution</u>	<u>Health</u> <u>Insurance</u>	<u>Other</u> <u>Elective</u>
1: Miami U.	\$453	\$106
2: Ohio U.	440	122
3: Kent State U.	420	93
4: Ball State U.	418	57
5: Tennessee Tech. U.	378	7
6: Indiana State U.	329	64
7: Western Illinois U.	319	67
8: Cleveland State U.	310	45
9: Marshall U.	309	4
10: Wright State U.	295	80
11: East Tenn. St. U.	294	5
12: Illinois State U.	288	62
13: Austin Peay St. U.	282	0
14: Old Dominion U.	278	20
15: Middle Tenn. St. U.	277	0
16: Radford U.	269	0
17: Eastern Illinois U.	260	59
18: Truman State U.	176	29
19: Southeast MO St. U.	163	14
20: Southwest MO St. U.	149	17
21: Appalachian State U.	145	23
22: Northwest MO St. U.	137	30
<b>Benchmark Average</b>	<b>290</b>	<b>41</b>
<b>WKU</b>	<b>147</b>	<b>18</b>
<b>WKU (Below) Average (143)</b>		<b>(23)</b>