

UPDATE ON REPORT OF SUMMER TEACHING STIPEND
Prepared by Faculty Status and Welfare Committee

This is an update of the "Summer Teaching Stipend" report of last year and of progress made toward the Senate resolution that WKU reach the benchmark average.

The report compared WKU's stipend of 15% of salary with a cap of \$5,000 in the summer of 1996 to our benchmark universities. The benchmark average in 1996 was 18.36% of salary with generally no cap for a calculated average payment of \$8,475.

WKU increased the cap by \$500 to \$5,500 for the summer 1997. I am not aware of any guaranteed subsequent increases. But suppose WKU continues with annual \$500 increases in the cap. What would be the projected progress toward reaching the benchmark? (Note: Since the benchmark summer stipend is a percentage of the salary, the benchmark summer stipend will increase at the same rate as the salary.)

Assumptions: \$500 annual increase in WKU cap and 3% annual increase in salaries at WKU and at benchmarks.

<u>Year</u>	<u>WKU</u>	<u>Benchmark</u>	<u>Deficiency</u>	<u>Decrease in Deficiency</u>
1996	\$5,000	\$8,475	\$3,475	-
1997	5,500	8,729	3,229	\$246
2001	7,500	9,825	2,325	904
2006	9,305*	11,390	2,085	240

* Although the cap would be projected to be \$10,000 after ten years of \$500 increases, the stipend is first calculated as 15% of WKU average salary (assuming a 3% annual increase), a result that is below the cap. WKU will never reach the benchmark average since WKU has a 15% of salary rate for the summer stipend while the benchmark average has an 18.36% of salary rate.

The WKU method of determining summer stipends has two structural deficiencies, the cap and the low rate of 15%. To rise to the benchmark average, the cap must be eliminated and the rate must be increased to 18.36%.

Recommendation: WKU reach the benchmark average over a three-year period, 1998-2000.

An 18.75% target rate is supported by a 75% allocation of faculty time to teaching (WKU faculty data) and a six-hour summer teaching load being 25% of the 24-hour load in the academic year. A three-year phase-in would be a 1.25% increase in the rate each year, or successive rates of 16.25%, 17.50%, and 18.75%.

The cap would need to increase \$1,500 each year and be eliminated after the year 2000. The successive caps would be \$7,000, \$8,500, and \$10,000 before the elimination.

Assumptions: The rate increases 1.25% and the cap increases \$1,500 each year over the three-year period of 1998-2000. The WKU average salary increases 3% annually.

Year	Average Salary	Rate	Summer Stipend		
			Calculated	Cap	Lesser
1996	\$46,161	15.00%	\$ 6,924	\$ 5,000	\$ 5,000
1997	47,546	15.00%	7,132	5,500	5,500
1998	48,922	16.25%	7,950	7,000	7,000
1999	50,441	17.50%	8,827	8,500	8,500
2000	51,955	18.75%	9,741	10,000	9,741
2001	53,514	18.75%	10,034	No cap	10,034

What is the projected effect on the comparison between the cost of summer instruction and the revenue from summer tuition?
(Note: The comparison does not include the revenue from state appropriations for student credit hours in the summer.)

Assumptions: The ratio of summer student credit hours to number of summer teaching faculty does not change. The summer stipend is as projected above and the summer instruction cost increases by the same percentage as the stipend amount. Tuition per credit hour and summer tuition increase 3% annually.

Year	Summer Stipend		Cost: Summer Instruction	Summer Tuition	Cost/Tuition Percentage
	Amount	% Increase			
1996	\$ 5,000	-	\$1,218,000	\$2,765,000	44.1%
1997	5,500	10.0%	1,340,000	2,848,000	47.1%
1998	7,000	27.3%	1,706,000	2,934,000	58.1%
1999	8,500	21.4%	2,071,000	3,022,000	68.5%
2000	9,741	14.6%	2,373,000	3,112,000	76.3%
2001	10,034	3.0%	2,444,000	3,205,000	76.3%

The summer session is projected to remain a source of financial support for the general budget, even before the revenue from state appropriations for student credit hours in the summer.