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WKU offers senior employees buyouts

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Timothy Caboni

Hoping to cut personnel costs, Western Kentucky University is rolling out voluntary buyouts for its senior employees, with lump sums of up to \$100,000, including supplemental benefits to help employees under age 65 buy health insurance.

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Executive Vice President Susan Howarth and Acting Provost Cheryl Stevens wrote in an internal memo last week that the intention behind the move is to achieve “a reduction of the salary base resources which comprise a significant part of the operating budget.”

Personnel costs make up the heftiest expense under WKU’s 2021 operating budget, translating to \$172 million of the total \$353 million in budgeted expenses.

WKU faculty express
low morale

Organizations typically use buyouts to reduce costs or to avoid or delay layoffs.

In their memo, Howarth and Stevens framed the move in the context of the significant financial uncertainties WKU is facing.

“This institutional initiative is appropriate given the changing organizational operating environment resulting from the COVID-19 pandemic, declining state support, enrollment changes and other evolving dynamics affecting higher education in general,” they wrote.

Publicly, however, WKU President Timothy Caboni has moved to downplay the cost-saving aspect of the buyout initiative, which the university calls the Voluntary Separation Incentive Program.

Last week, he told WKU’s College Heights Herald in an interview that “it is not a cost-saving exercise” and that it will create “institutional flexibility.”

Asked for comment from Caboni on whether the university is concerned that the program will spur an exodus of experienced faculty and staff, WKU spokesman Bob Skipper forwarded a statement from Stevens.

Stevens said: “The VSIP gives WKU the strategic flexibility to respond more quickly to shifting enrollment patterns. It also creates opportunities for recruiting junior faculty into growth areas while providing those who are contemplating leaving a generous incentive package.”

To qualify for a buyout under the program, employees must be active and full-time and have completed 15 years of full-time, benefits-eligible service at WKU as of June 30, 2021.

The sum of the employee’s age and total years of full-time service must also equal 70 or more as of June 30, 2021.

WKU is accepting applications until March 15. Howarth and Stevens said the university could reject applications based on staffing needs. The university plans to hold information sessions about the program.

Howarth and Stevens characterized the move as a “one-time managerial action of the institution,” and that “the university does not anticipate similar actions in the future.”

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