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WKU renews Caboni's contract, offers new pay incentives

By AARON MUDD amudd@bgdailynews.com

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Tim Caboni smiles as he receives a WKU Board of Regents' pin after being officially sworn in as president on Friday, July 28, 2017, in the mass media and technology hall. (Austin Anthony / photo@bgdailynews.com)

Austin Anthony/Daily News/

Hoping to entice Western Kentucky University President Timothy Caboni to stay on for another four years, the university's Board of Regents voted Friday to approve a new employment contract featuring several fresh compensation incentives. The deal, effective July 1, cements Caboni's second four-year term as WKU's president.

A key contract provision automatically grants Caboni an annual performance bonus equal to 10% of his base salary. The new contract raises his base salary to \$450,000 annually, up from the current \$416,016.



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The bonus is contingent upon Caboni's "best efforts" in fulfilling several broadly worded performance metrics. They include executing the university's strategic plan, compliance with the state's performance funding model for higher education or "year-over-year maintenance or improvements" of institutional goals like "annual fundraising gift receipts" or "first-to-second-year retention" of students.

The "retention and performance-based bonus" outlined in the contract is subject to recall by the university's Board of Regents. The board "in its absolute discretion" may determine whether Caboni is worthy of the annual award.

The board's action Friday also ensures that Caboni will receive a payout of 10% of his current salary (\$416,016), consistent with an annual performance bonus he earned this year (for July 1, 2020, through June 30, 2021).

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The new contract goes further by providing an additional compensation mechanism in the form of a “deferred compensation plan” designed to award Caboni for every month into his second term that he remains WKU’s president.

The contract locks in that amount at 18% of Caboni’s annual base salary – which is \$450,000 under the new contract’s term – placed into a 457(f) compensation plan account.

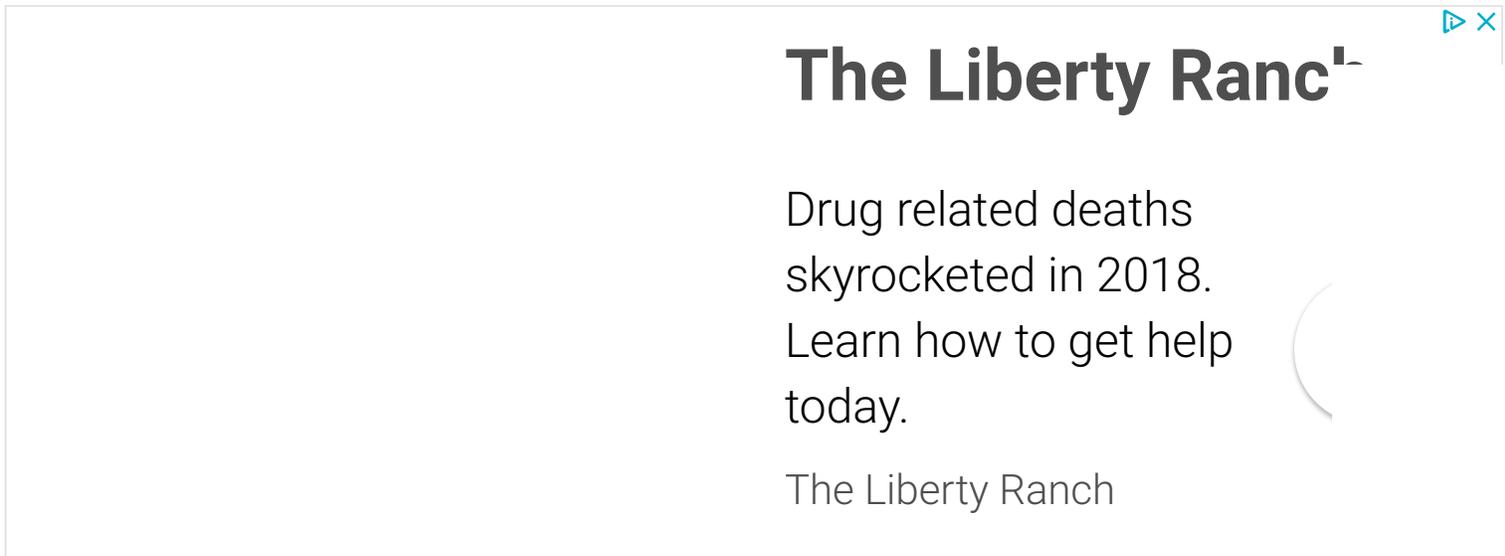
Should Caboni terminate his employment before 2023, he will forfeit all earnings under that fund. By June 2024, he gets 50% of the money in the fund. If Caboni stays on as president until at least June 30, 2025, he gets 100% of the fund.

On the other hand, if Caboni terminates his employment and takes another administrative job or appointment in higher education before June 30, 2023, he’ll owe WKU \$900,000. That amount decreases as the contract reaches the end of its four-year lifespan.

The contract addendum stirred a lengthy discussion Friday among the university’s regents.

WKU Faculty Regent Shane Spiller, for example, raised a concern about the automatic nature of the performance bonus laid out in the contract.

“As much as we believe in Dr. Caboni and in his performance, we could do a better job of setting goals for him, rather than just automatically awarding his performance,” Spiller said.



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Regent George Nichols III, however, contended that Caboni's annual performance would be sufficient.

“We want to put forth an effort to show we have a desire to retain (Caboni) year after year,” Nichols said of the contract.

Ultimately, the board's vote to finalize the deal was unanimous.

For his part, Caboni expressed his gratitude and said, “I don't want to be anyplace else but WKU.” He said he and his wife, Kacy, are looking forward to the years ahead.

“As we emerge from COVID, there is great light ahead,” Caboni said. “I'm thankful every day to wake up and to have the privilege to lead such an amazing place, to help transform the

lives of students, to grow our community and elevate it.”

– Follow education reporter Aaron Mudd on Twitter @NewsByAaron or visit bgdailynews.com.

Aaron Mudd

Education reporter. Covers education and related issues, focusing primarily on the Bowling Green and Warren County public school districts and Western Kentucky University.