Given the importance of the issues before us, I decided to post my University Senate report to the Senate website and to post the link to Faculty-all. As you may know, the Board of Regents Committees met on October 2; although many issues came up, the one about which I've heard the most (in fact, the only BOR action item that has generated any e-mail or conversation) is the new contract for Dr. Wood Selig. The contract also makes him a Vice-President Director of Intercollegiate Athletics—a new title with the same responsibilities. Given that we have recently received notice of increased health insurance premiums, I confess that I expected that to be the larger issue. However, Dr. Selig's extremely generous contract (with large bonuses based on team and individual athlete post-season performance, as well as a significant increase in base salary and an annuity payment of $25,000 per year for four years for a total of $100,000 into a 457(f) account if he remains through 2013) is for many of you a metaphor for the larger problem we are experiencing on this campus. As I sat at the board meeting, I stared at my Blackberry message reminding me I had until 4:30 that day to turn in my 5th week assessment for my 100 level General Education class—one more thing to do in a week that was already packed well beyond full. It was one more thing I do for the greater good for which I would not be compensated—but there on the agenda was a significant raise for Dr. Kahler who the theory holds retains these students. But you and I actually retain them, as do the staff in HRL, Student Life, and countless other places. So while I am glad that our bonuses in some amount between $500-1000 (the one funded by the 2% budget cut last spring) is going to be applied to my base salary starting in July 2010, like you I wonder why we are all working harder without recognition other than these are hard times. Perhaps that medicine would go down easier if everyone else was sharing the pain—but clearly the pain is not universal.

To share with you a few of the best comments I received about Dr. Selig's contract and compensation: one faculty member sent a very clever but pointed list of "Top Ten Reasons to Give Wood Selig a $34,000 Raise," including such gems as "8. Because Wood Selig adds as much value to the university as 34 faculty members," and "7. Because he added as much value as 68 office associates and athletic trainers." My favorite was at the top: "Because when the university makes up a new title for your old job, you deserve a $34,000 raise."

Another faculty member suggests that his compensation should be incentivized so he gets a bonus for every A a student earns, with smaller performance bonuses for B, C, and D work. One faculty member struck a more serious tone of outrage in this message: "Every faculty member understands that budget times are tough. But, when the President asked we were willing to pull together. And so it's galling enough to find that people in the upper administration were receiving raises of tens of thousands of dollars, and additional tens of thousands placed in tax-free retirement accounts. It was even more galling to have the Regents claim that this was small compensation for their non-teaching duties. But to now have the Athletic Director receive a raise that will make him the third-highest paid AD in the Sunbelt Conference and place his salary at $75,000 above the median salary for all ADs in the entire NCAA is a bit beyond the pale."

Let me now talk about the increased insurance rates, and then I will pull the threads together to conclude. By now you have read the e-mail from Tony Glisson and Jim Cummings regarding the increasing premiums and copays for plan year 2010. As a member of the Benefits Committee, I can confirm that the numbers Tony communicated about claims exceeding premiums collected, the draw-down of the reserve fund, and the large number of individual cases over $50,000 (which causes our re-insurance premiums to rise) are accurate. Additionally, the Benefits Committee voted to draw down the reserve by another $1M to alleviate the pain that these higher co-pays and premiums will obviously cause. Without this additional money from the reserve, these costs would have been even higher.

Without significant increased financial support from the University, Tony and Jim are correct that rates will most likely rise again next year. To answer the obvious question about why we don't simply draw the reserve down to zero, remember that when we had a $2M shortfall in 2000, we had no reserve fund. Therefore, the University cut the budget across the board to pay the claims by March 2001 and to kick in more university contribution per employee to offset the higher premiums. Given that our claims overage this year was $2M, I speak only for myself in saying that I could never be comfortable without a reserve of at least 25% of annual projected claims costs (for this year, that number is $3.5 million). We cannot bear another across-the-board budget cut right now, nor do I believe we can anytime in the next several years. Again, this part is my opinion only, but it may shed some light on the decision-making process.

That said, there is obviously a lot that faculty and staff will have to say, and they should speak loudly and clearly directly to President Ransdell. This is very difficult and few things affect as many employees as this does. To tie the threads of my report together in conclusion, while it surprises me that Selig’s contract has generated more commentary than these rate increases, I think I now understand why. The rate increases are not a huge surprise—but perhaps the huge and unapologetic increase for a non-academic administrator is. Perhaps it is the insult on top of the expected injury. Let me close with this: Either the employees of the university are in this together, or they’re not. Either the academic mission and the faculty and staff who fulfill it are as important as athletics and building projects, or they’re not. Either we all get some type of increased compensation that reflects our merit and accomplishments, or we all suffer in the budget cut boat together. As always, I am eager to hear more of your thoughts, and the full Board meets on October 30. In the spirit of Halloween, I will be dressed as a disgruntled faculty member watching administrators get more candy.