



A LEADING AMERICAN UNIVERSITY WITH INTERNATIONAL REACH
OFFICE OF THE PRESIDENT

July 15, 2015

Dr. Margaret E. Crowder
Chair, University Senate

Dr. Kate Hudepohl
Chair-Elect, University Senate
Western Kentucky University
1906 College Heights Blvd.
Bowling Green, KY 42101

RE: **University Senate Resolution for Appropriate Emphasis: Academics**

Dear Drs. Crowder and Hudepohl:

We are in receipt of the above Senate Resolution, passed at the May 2015 meeting. We both have studied it and given considerable thought to this reply. We are grateful for the Senate's leadership and interest in the correlations between academic strength and financial stability across the institution. At the outset of this response, we want to make it as clear as we can that academic value in the WKU experience is not just a priority, but **the** priority. Everything else at WKU, while important, is intended to complement academic quality with a richly diverse, safe, wholesome, pleasant, and spirited campus experience—here in Bowling Green and on our three regional campuses.

We also are painfully aware that compensation is our absolute greatest need at this time. It is also our greatest financial challenge. Balancing our budget these last few years has been extremely difficult with \$15 million in state budget cuts and another \$15 million in campus redirected spending since 2008. Those challenges have been further complicated by two years of enrollment decline which has reduced available revenue to spend on campus programs.

Since 2008, the state has cut \$173 million from the higher education budget. That is what higher education in Kentucky needs in new appropriations just to get back to 2008 budgeting levels across our public institutions. In fact, the last time the state increased its state appropriation for higher education was in 2006 for the 2006-08 biennium. By the time the 2016-18 biennium arrives, Kentucky will have experienced a lost decade of state funding for higher education.

We hope to stabilize our WKU budget this year. We addressed as many budget issues as possible in the budget which went into effect on July 1. Two things are, however, critical this fiscal year: enrollment stability and additional state funding. We believe we are making progress on first-time, full-time undergraduate enrollment. However, retention, enrollment of

The Spirit Makes the Master

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part-time students, and graduate enrollment still need attention. An ad hoc committee is also at work in getting our academic scholarship portfolio in a more affordable context. A new performance-based funding model for public higher education in Kentucky will be presented to the General Assembly in January 2016. Because of our performance (degree productivity, relevant disciplines, underserved student populations, etc.), we should improve our funding share of any money that the state adds to the higher education budget.

The challenge with compensation is its significant cost. It takes about \$1.5 million to fund a 1 percent salary increase, including benefits. We believe we need about \$9 million to do what we want to do—which is a 4 percent salary pool (\$6 million) divided equally between merit (2 percent) and across the board (2 percent) increases. We need about \$2 million for an equity, gender, compression pool for faculty and staff. We also need \$1 million to further invest in our benefits package as it relates to healthcare, retirement, workers' compensation, and faculty/staff/dependent scholarships. As shown below, the key is actually getting more money from the state. We will be working with the other institutions as hard as possible in this regard, and we are willing to commit to faculty/staff compensation as much as we possibly can from any increase in base operating support from the state for the 2016-18 biennium. We will also need to commit most of the revenue we get from any tuition increase in fall 2016 to meeting fixed cost obligations.

There has been some discussion across campus for another self-imposed budget reallocation/cut next year in order to redirect further spending reductions to salaries. With most of our money in academic programs, however, we are most concerned about any more unforced cuts. Erosion of academic quality would surely be a result of another round of budget reallocations/cuts next year.

Since the Senate Resolution spoke to specific academic matters, we want to devote the balance of this response to specific statements made in the Resolution. We believe the data and analysis that follows will help clarify some of our progress and perhaps some misperceptions which may exist.

The title of the Resolution calls for an "appropriate emphasis" on academics. Since 2010, WKU has added 63 new academic programs, all approved by the University Senate: 23 undergraduate certificate programs, 15 graduate certificate programs, 1 associate degree program, 13 baccalaureate degree programs, 7 non-terminal master's degree programs, and 4 new terminal degrees, including an MFA and 3 doctoral degrees. Just a few weeks ago, we learned that WKU has risen to Level VI, the highest possible SACSCOC institutional classification. This action now places WKU in the company of the best Doctoral Research level institutions, and represents a very significant point of academic progress for us.

The academic performance level of our incoming freshmen classes has risen steadily, from an average ACT score of 21.4 in 2010-11 to 22.7 in 2014-15. Over that same period, the number of tenure-line faculty increased from 565 to 591. This all reflects a strong institutional commitment to the university's academic mission.

The resolution contains several WHEREAS statements that we wish to address in turn.

1. "The faculty and staff have not experienced a merit raise or merit pool since 2007"

We are very much aware of this, of course, and we again assure you that increasing faculty/staff compensation remains a very high priority for us and for the institution. But, after having absorbed some \$30M of state budget cuts/campus reallocations since 2008, and with our in-state resident undergraduate price now being the lowest of our 19 benchmarks (see table below); we simply have not had sufficient funding to address compensation in a consequential way.

In-State Price (H-L)

| 2009/10 | | 2013/14 | |
|-----------------|--------------------|----------------|-----------------|
| \$22,905 | OHIO | NILU | \$28,342 |
| \$22,751 | ILSU | ILSU | \$26,259 |
| \$22,700 | NIILU | OHIO | \$24,396 |
| \$21,125 | BGSU | ETSU | \$23,607 |
| \$20,766 | TOWS | BGSU | \$23,506 |
| \$20,297 | CMICH | TOWS | \$23,166 |
| \$19,640 | BALL | JMU | \$22,740 |
| \$19,391 | ETSU | BALL | \$22,250 |
| \$19,302 | JMU | CMICH | \$22,004 |
| \$18,722 | INSU | FATL | \$21,583 |
| \$16,878 | MTSU | ECAR | \$20,831 |
| \$16,502 | ECAR | MTSU | \$20,818 |
| \$16,412 | USM | INSU | \$20,619 |
| \$16,151 | WKU | USAL | \$19,980 |
| \$15,827 | UNCC | USM | \$19,894 |
| \$15,439 | FATL | UNCG | \$19,172 |
| \$14,691 | UNCG | UNCC | \$19,080 |
| \$14,391 | APPSU | APPSU | \$19,058 |
| \$14,256 | USAL | WKU | \$18,822 |
| 85.0 | % BM Median | | 86.4 |

Nevertheless, over the past several years, we have managed to implement several small salary increases (see attachment), including across-the-board increases and market equity adjustments. These have had some positive cumulative effect. We have also steadfastly maintained salary increases, equal to 10% of the median salary at current rank, to all faculty members receiving promotion. While we have been unable to provide meaningful increases in base salaries for our employees, we have created several opportunities for increased overall compensation for faculty members. We have expanded the number of hours of summer teaching permitted, increased the stipend for winter term teaching, and permitted faculty to earn

incentive payments from the WKURF for buyout of academic year salary from external sources.

2. While “faculty salaries at WKU at all ranks are below benchmark [median], ... ”

While we acknowledge that faculty salaries have not kept pace with inflation over the past few years, it is interesting to note that since 2009 they have, overall, actually *risen* relative to those benchmark medians, no doubt as a result of the regular small increases that we have implemented over the past few years. The table below shows the salaries of all three professorial ranks relative to benchmarks in 2009-10 and in 2013-14.

- For Professors, the average salary in 2009-10 was \$82,939, ranked 15th out of the 19 benchmarks and equal to 91.9% of benchmark median. By 2013-14, the average salary for Professors had risen 2.85% to \$85,302, still 15th out of the 19 benchmark institutions, but now at 94.8% of the benchmark median. (Over this period, the median benchmark salary for Professors actually decreased by 0.9%, from \$90,197 to \$89,379):

| Salaries – Professor (H-L) | | | |
|----------------------------|--------------------|------------|-----------------|
| 2009/10 | | 2013/14 | |
| \$110,604 | UNCC | UNCC | \$112,311 |
| \$108,519 | UNCG | UNCG | \$105,903 |
| \$97,593 | OHIO | CMICH | \$100,629 |
| \$96,022 | ECAR | OHIO | \$100,008 |
| \$95,929 | CMICH | BGSU | \$98,442 |
| \$92,719 | BGSU | FATL | \$97,218 |
| \$92,563 | NILU | NILU | \$96,255 |
| \$92,223 | FATL | ECAR | \$93,294 |
| \$90,308 | APPSU | APPSU | \$90,657 |
| \$90,197 | TOWS | JMU | \$89,379 |
| \$89,236 | ILSU | ILSU | \$88,902 |
| \$87,731 | JMU | BALL | \$88,254 |
| \$86,955 | USAL | USAL | \$86,625 |
| \$84,450 | USM | INSU | \$86,292 |
| \$82,939 | WKU | WKU | \$85,302 |
| \$82,089 | MTSU | USM | \$84,843 |
| \$82,060 | BALL | TOWS | \$80,424 |
| \$79,131 | INSU | MTSU | \$80,055 |
| \$72,311 | ETSU | ETSU | \$78,912 |
| 91.9 | % BM Median | | 94.8 |

- For Associate Professors, the 2009-10 average salary was \$64,415 (15th out of 19, 91.5% of median); by 2013-14 the average salary had risen 3.8% to \$66,870, and WKU's ranking moved up one place to 14th. The median benchmark salary rose by a modest 0.9%, from \$70,136 to \$70,758, and the WKU salary for Associate Professors rose to 94.3% of this new median;
- For Assistant Professors, the 2009-10 average salary was \$52,997 (16th out of 19, 91.4% of median); by 2013-14 the average salary had risen 7% to \$56,718 (up by 7.0%, but our ranking nevertheless went down one place to 17th, with a salary at 90.3% of median). The 7.0% increase reflects our strength in the marketplace (see item 6 below), but the drop in ranking shows that other benchmark institutions had also made compensation at this rank level a high priority, with the benchmark median rising by 8.7%, from \$57,791 to \$62,793, over the period.

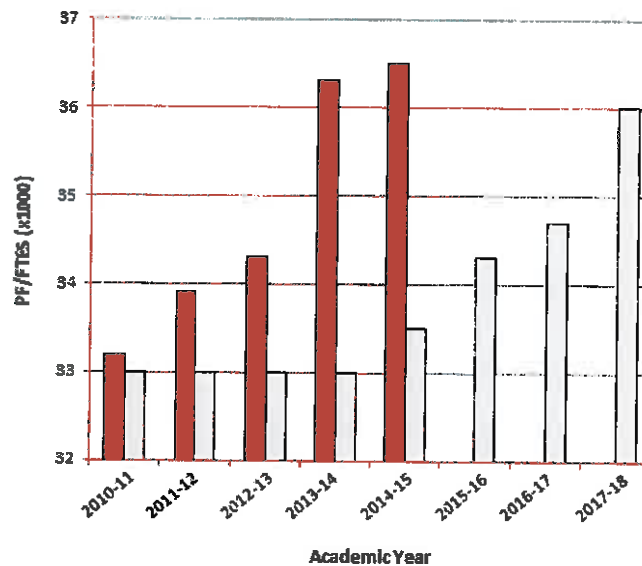
| Salaries – Associate Professor (H-L) | | | | Salaries - Assistant Professor (H-L) | | | |
|--------------------------------------|--------------------|-------------|-----------------|--------------------------------------|--------------------|-------------|-----------------|
| 2009/10 | | 2013/14 | | 2009/10 | | 2013/14 | |
| \$82,426 | UNCC | UNCC | \$80,244 | \$69,186 | UNCC | UNCC | \$72,963 |
| \$77,623 | UNCG | OHIO | \$77,148 | \$66,277 | ECAR | UNCG | \$69,732 |
| \$75,179 | ECAR | CMICH | \$76,644 | \$63,845 | UNCG | FATL | \$68,661 |
| \$73,744 | OHIO | UNCG | \$75,501 | \$62,981 | ILSU | NILU | \$67,932 |
| \$73,548 | TOWS | BGSU | \$74,169 | \$62,311 | NILU | ECAR | \$66,753 |
| \$73,128 | APPSU | NILU | \$73,881 | \$62,075 | FATL | CMICH | \$66,555 |
| \$72,614 | CMICH | ECAR | \$73,836 | \$61,566 | TOWS | JMU | \$63,891 |
| \$70,943 | FATL | APPSU | \$71,586 | \$59,621 | APPSU | BGSU | \$62,955 |
| \$70,626 | NILU | FATL | \$71,100 | \$58,140 | CMICH | APPSU | \$62,847 |
| \$70,136 | BGSU | JMU | \$70,758 | \$57,791 | OHIO | OHIO | \$62,793 |
| \$67,812 | ILSU | ILSU | \$70,137 | \$57,646 | JMU | USM | \$61,344 |
| \$67,791 | JMU | BALL | \$69,435 | \$56,960 | USAL | USAL | \$59,571 |
| \$66,918 | USAL | USAL | \$68,292 | \$56,939 | BGSU | BALL | \$58,698 |
| \$64,550 | USM | WKU | \$66,870 | \$55,548 | USM | TOWS | \$58,095 |
| \$64,415 | WKU | USM | \$66,123 | \$54,467 | INSU | INSU | \$58,050 |
| \$64,385 | MTSU | TOWS | \$64,395 | \$52,997 | WKU | ILSU | \$57,870 |
| \$63,952 | BALL | INSU | \$64,206 | \$52,846 | ETSU | WKU | \$56,718 |
| \$61,745 | INSU | MTSU | \$63,486 | \$52,532 | MTSU | ETSU | \$56,493 |
| \$59,244 | ETSU | ETSU | \$62,973 | \$51,985 | BALL | MTSU | \$52,083 |
| 91.5 | % BM Median | 94.3 | | 91.4 | % BM Median | 90.3 | |

3. "... , while faculty remain concerned about tenure-line student/faculty ratios and the large number of part-time faculty."

In recent years, the national trend has been toward an emphasis away from tenure-line faculty toward more instructors and part-time faculty. This includes a documented case at one of our benchmark institutions that from 2009 to 2014 saw an increase in the number of instructors by over 50%, and a concomitant decrease in tenure-eligible lines. This shift to more instructor positions undoubtedly was a factor in allowing this particular institution to provide significant salary increases to its tenure-line faculty. However, over the same period WKU has chosen to significantly increase its number of tenure-line faculty, a clear commitment to the academic mission of the institution.

The number of tenure-line faculty per 1,000 FTE students has been steadily growing for the past 5 years, and even after surpassing the 2018 Action Plan goal of 36.0 it has continued to rise. For academic year 2014-15, this key ratio of commitment to academic success was 36.5, an increase of 10% over its 2010-11 value.

Professorial Faculty per Full-Time Equivalent Student



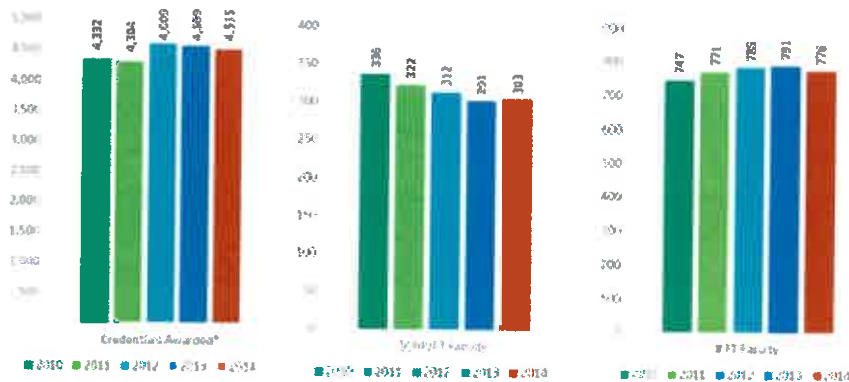
| | 2010-1011 | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 |
|---------------------|-----------|-----------|-----------|-----------|-----------|
| PF | 565 | 575 | 579 | 594 | 591 |
| FTES | 17000 | 16943 | 16877 | 16362 | 16211 |
| PF/FTES | 33.2 | 33.9 | 34.3 | 36.3 | 36.5 |
| % of 2017/18 Target | 7% | 30% | 43% | 110% | 117% |

Throughout this same period the number of part-time faculty has stayed relatively constant:

| Year | FTE Students | Full-Time Faculty | Part-Time Faculty | FTE Faculty | PT/FTE Faculty Ratio | Student/FTE Faculty |
|---------|--------------|-------------------|-------------------|-------------|----------------------|---------------------|
| 2010-11 | 17,000 | 747 | 430 | 890 | 16.1% | 19.1 |
| 2011-12 | 16,943 | 771 | 430 | 914 | 15.7% | 18.5 |
| 2012-13 | 16,877 | 785 | 345 | 900 | 12.8% | 18.8 |
| 2013-14 | 16,362 | 790 | 460 | 943 | 16.3% | 17.3 |
| 2014-15 | 16,211 | 776 | 423 | 917 | 15.4% | 17.7 |

This increased emphasis on growing the faculty, a key element of any emphasis on academics, has had a very substantial positive impact on faculty teaching loads. Across the university, the semester credit hour production (SCHP) per full-time (FT) faculty member has decreased by an average of 10%, from 336 in 2010 to 303 in 2014. This reduction in number of credit hours taught affords faculty more time to devote to each student and to other aspects of faculty life.

WKU Trends



*Includes duplicated counts for students with multiple majors and/or credentials awarded

We are deeply conscious of the importance of scholarly work in the lives of our faculty, and have maintained a steady diet of sabbatical awards to faculty, with 11 awards in 2010-11, 13 in 2011-12, 17 in 2012-13 and 16 in 2013-14. Over these four years, 84% of sabbatical applications were approved.

4. "The university's funding and continued viability as a state-supported entity are based upon retention and graduation rates controlled primarily by actions and productivity of the faculty"

This is certainly true; indeed a university, in many respects, is *defined* by its faculty. Ironically, we are to some extent the victims of our own success. First, the steadily increasing enrollment throughout the first decade of the millennium was not matched

by a corresponding increase in state appropriations, causing our state funding per FTE student to diminish. A comparison of the 2009-10 to 2013-14 data shows that WKU fell one position relative to our benchmarks, with a very significant 11.1% drop in this key funding metric, reflecting a trend that has been going on for some time.

| State Appropriations per FTES (H-L) | | | |
|-------------------------------------|--------------------|------------|----------------|
| 2009/10 | | 2013/14 | |
| \$9,722 | ECAR | NILU | \$12,759 |
| \$9,416 | INSU | ECAR | \$11,548 |
| \$8,621 | USAL | UNCG | \$9,528 |
| \$8,374 | NILU | UNCC | \$8,481 |
| \$8,344 | UNCG | USAL | \$7,411 |
| \$8,297 | FATL | APPSU | \$7,407 |
| \$7,925 | UNCC | INSU | \$6,963 |
| \$7,541 | ETSU | BALL | \$6,189 |
| \$7,116 | APPSU | ETSU | \$6,015 |
| \$6,915 | BALL | USM | \$5,760 |
| \$6,747 | USM | FATL | \$4,754 |
| \$5,471 | OHIO | TOWS | \$4,643 |
| \$5,232 | BGSU | OHIO | \$4,467 |
| \$4,801 | WKU | ILSU | \$4,383 |
| \$4,795 | ILSU | WKU | \$4,267 |
| \$4,648 | TOWS | BGSU | \$4,155 |
| \$4,447 | MTSU | JMU | \$4,001 |
| \$4,419 | JMU | MTSU | \$3,612 |
| \$3,570 | CMICH | CMICH | \$3,102 |
| 68.4 | % BM Median | | 72.5 |

Further, the growing quality of our incoming classes and the excellent teaching, mentoring, and advising of students by our faculty has decreased the median time to graduation to less than 4.3 years (from the entering cohort of 2006 to the entering cohort of 2010, WKU's four-year baccalaureate graduation rate increased from 21.9% to 30.1%). This has had a very positive effect on the number of credentials awarded (see chart on the previous page) and on the students themselves but also, unfortunately, a negative impact on the number of seniors enrolled and hence on overall tuition revenue.

Compounded with the very significant reduction in state appropriation per FTE, the total public funds (tuition + state appropriation) spent per student at WKU (for academic year 2011-12) was \$17,575, only five-sixths of the benchmark average of \$21,100. The total public funds spent *on instruction* (using the IPEDS definition of "instruction") per FTE student at WKU was approximately \$7,030 (40.0% of the total expenditure per FTE student), compared to the benchmark average of \$8,330 (39.5% of the total expenditure per FTE student). The reduced funding available for instruction is, therefore, not driven by differential allocation to other Divisions within

the university, but rather to a decreasing total amount of funds available. More than 90% of this total-funds differential is due to differences between WKU and benchmarks in state appropriations per FTE, with WKU's appropriation per FTE student being less than three-quarters of the benchmark median and only one-third of that of the top benchmark institution.

Under the state funding formula currently under development, WKU would finally reap some benefits of this increased level of service to the Commonwealth. We reiterate here that the highest priority for any new state appropriations will be for faculty and staff compensation.

5. "spending in non-academic areas suggests to faculty and the public a shifting emphasis away from the university's primary mission – academics"

A university is a highly complex environment. A full-time student typically spends 15 or so hours per week in class and an additional few dozen hours in study, and must balance the remainder of their 168-hour week with other activities which, as a residential campus, we are obligated to provide. More than ever, today's student needs frequent and intrusive advising and counseling. Our faculty and staff deserve quality space and a state-of-the-art technology infrastructure in which to work and study, and the university must maintain its role in the community and with its accrediting bodies. Legal issues (e.g., Title IX compliance) and campus safety are increasingly important aspects of our responsibility to society. There are also examples across campus where spending occurs in what might be perceived as non-academic areas, but which greatly enhance academic quality (e.g., Academic Advising, which helps our students achieve their maximum potential and identify opportunistic career paths). Support areas like Student Affairs help students develop leadership and independence skills. Among the most important Student Affairs expenditures are the Counseling Center, the Police Department, Residence Life, and Student Activities. We also must address the costs of Financial operations, Facilities Management, Information Technology, Enrollment Management, Development, and other operations necessary in a complex campus environment. These ancillary services are not as directly related to the academic mission as formal teaching and mentoring, but they are all essential to our role as an institution of higher education and they all cost money.

There are also examples across campus where spending occurs in what might be perceived as non-academic areas, but which greatly enhance academic quality (e.g., Scholar Development which helps our students win major prestigious scholarships like Goldwaters and Fulbrights, and International Student Services which helps our international students transition to WKU and fully engage the campus when they are here).

Each budget cut/reallocation in recent years has been dealt with roughly proportionately with regard to each respective Division's budget. The Academic Affairs budget is, of course, the largest of any division. It has thus participated in budget cuts/reallocations at a level of approximately 70% of the total amount involved, as in the current situation, with "the \$7.9 million budget shortfall tak[ing]

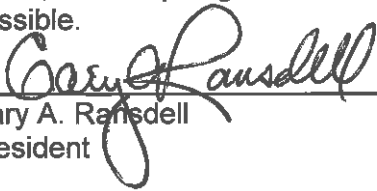
\$5.5 million (69.6%) from the Academic Affairs budget.” However, this does not represent “a shifting emphasis” from academic spending but rather a difficult yet proportional reduction across the university in order to address priorities such as scholarships, health insurance, employer contributions to retirement plans, worker’s compensation, and faculty/staff tuition subsidies.

We have also held firm to our commitment to allow Academic Affairs to retain all DELO revenue and all of the DELO carry forward money which, over the last few years, has averaged some \$9 million per year. Each year, a significant portion of this carry forward is distributed to colleges and departments, and these funds have been most helpful to academic departments. As was announced at the Board of Regents meeting, the departmental DELO distribution for FY 16 – a reward for the efforts of our faculty in maintaining the outstanding success of DELO – will be maintained at a level similar to that for the past year, although it could have been sacrificed to help balance the campus-wide budget like other tuition revenue.

6. “these priorities and conditions not only prevent departments and programs from attracting quality faculty and staff but make it increasingly difficult to keep employed the quality faculty and staff the university currently enjoys”

A review of the 120 or so faculty appointed over the past three years reveals an exceptionally strong group, with credentials from the top universities in the land. Over twenty percent of these new faculty members have earned credentials from institutions that are members of the American Association of Universities, such as Cornell University, Columbia University, Harvard University, Iowa State University, The Johns Hopkins University, Pennsylvania State University, Purdue, The Ohio State University, the University of Arizona, the University of California at Los Angeles, the University of Florida, the University of Michigan, the University of Missouri, and the University of Texas. Both faculty and students alike should be pleased that our ability to attract such highly-credentialed faculty has not been significantly affected by the economic downturn of the past few years.

We acknowledge the Senate’s encouragement to make academics its top priority in strategic planning and budgeting, and we would submit that we have steadfastly done so to date. We also acknowledge the call for strategic planning to address compensation issues, and we appreciate the Senate’s call for faculty to assist in this cause. The academic mission of WKU is stronger than ever, with the most credentialed faculty and the most gifted and high performing student population in our university’s 109-year history. Our faculty and students work and live on a very pleasant and safe campus with the opportunities, facilities, technology, and campus environment to allow them to interact, advance, and achieve in the strongest possible way. That said, we understand the considerable personal financial pressures our faculty and staff are under, and we pledge to do all we can to address this issue as soon and as aggressively as possible.



Gary A. Ransdell
President



Gordon Emslie
Provost

WKU Percentage Salary Increases

| | |
|-----------|--|
| 2015-16 | 0% |
| 2014-15 | 1% (\$500 floor) |
| 2013-14 | 0% \$447,709 Faculty Equity Adjustments (funded by Academic Affairs for 164 faculty members) |
| 2012-13 | 2% Across the Board |
| 2011-12 | 1% (\$500 floor/\$1,000 ceiling) |
| 2010-11 | 1.5% (09/10 increase made permanent) 2% Across the Board |
| 2009-10 | 1.5% One Time Pay (\$500 floor/\$1,000 ceiling) |
| 2008-09 | \$500 Full Time Employees \$284,000 Faculty Salary Compression/Market Adjustment |
| 2007-08 | 4% -Merit \$317,000 Faculty Market Adjustments |
| 2006-07 | 3% \$75,000 Equity Adjustments (second six months) |
| 2005-06 | 4% - Merit \$75,000 Gender/Ethnicity Equity Study, Salary Adjustments |
| 2004-05 | 3% - Merit \$135,000 Police Market Equity Adjustments |
| 2003-04 | 3.7% Average – Merit \$310,000 Gender/Ethnicity/Market Adjustments |
| 2002-03 | 4% Average \$338,000 Market (faculty, staff, administrative) \$113,000 Gender/Ethnicity Equity Adjustments |
| 2001-02 | 2% Across the Board \$125,000 Faculty Market \$75,000 Staff Market |
| 2000-01 | 3% Average 1% Across the Board 2% Merit \$450,000 Faculty Market \$125,000 Staff Market |
| 1999-2000 | 2% - COL 1.5% - Merit \$400,000 Faculty Market |
| 1998-99 | 1.7% COL 2.3% Merit \$425,000 Faculty Market |