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**MEMORANDUM**

- TO:** Senator Danny Carroll, Co-Chair  
Representative Jason Nemes, Co-Chair  
Representative Lynn Bechler, Vice Chair
- FROM:** Gerald W. Hoppmann, Committee Staff Administrator  
William Spears, Analyst  
Legislative Oversight and Investigations Committee
- RE:** Postsecondary Education Administrator Compensation, 2015 to 2019
- DATE:** April 14, 2021

This memorandum serves as the Legislative Oversight and Investigations Committee’s review of administrator compensation at Kentucky’s public universities and colleges. The results are presented in memorandum format due to the significant issues encountered with receiving compensation data with respect to timeliness and consistency.

**Committee Request**

At its July 14, 2016, meeting, the committee directed staff to examine salaries, benefits, and retirement packages of executives and administrators of Kentucky’s public institutions. In 2016, staff requested that institutions provide compensation rates for administrative and executive administrators for 2006 to 2015. To provide updated information, staff followed up with Kentucky’s institutions on July 31, 2020, to provide compensation for a selection of positions for 2016 to 2019. Staff sampled a selection to reduce the time needed for a response and to compensate for COVID-19’s effect on schedules.

**Institutions’ Responses**

Instead of salaries, institutions provided actual amounts paid to individuals. If an individual worked 6 months, the institution reported 6 months of pay rather than salary for a full year. This represents the amount spent on positions but introduces uncertainty when positions are vacant,

filled part of the year or transferred between staff, or when responsibilities change. All of these events were common. Responses often combined benefits in ways that prevented analysis of individual benefit categories, such as combining retirement benefits with other benefits or combining all benefits into a single category. In order to compare responses, Legislative Oversight staff grouped benefits into

- cash payments to executives or administrators or
- all other benefits.

Most institutions provided compensation by calendar year. Eastern Kentucky University provided fiscal year compensation in the original request and was allowed to continue in the update in case the new submission could be compared with the responses for 2006 to 2015. The fiscal year data was compared to other institutions’ calendar year data, but such comparison introduces uncertainty.

### Identified Trends

Cash payments to executives or administrators, referred to as direct compensation, did not universally increase from 2015 to 2019, but increases were most common at the University of Kentucky, Eastern Kentucky University, and Northern Kentucky University. Decreases were most common at the University of Louisville, Morehead State University, and Murray State University. Table 1 shows increases and decreases in direct compensation at the institutions.

**Table 1**  
**Direct Compensation Changes For Executives And Administrators**  
**At Postsecondary Institutions**  
**2015 To 2019**

Changes	EKU	KCTCS Colleges	KCTCS	KSU	MoSU	MuSU	NKU	UK	UofL	WKU
			System Office							
Increases	5	7	3	3	0	0	7	16	3	4
Decreases	2	13	4	0	5	4	3	1	7	4
All positions	10	43	14	8	12	10	15	20	13	12

Note: Positions were included in this table only if the position was filled in both 2015 and 2019. Increases and decreases of less than 10 percent were excluded to eliminate minor changes in compensation. Compensation for 2015 was converted to 2019 dollars to account for inflation before calculating changes. EKU = Eastern Kentucky University; KCTCS = Kentucky Community and Technical College System; KSU = Kentucky State University; MoSU = Morehead State University; MuSU = Murray State University; NKU = Northern Kentucky University; UK = University of Kentucky; UofL = University of Louisville; WKU = Western Kentucky University. Sources: Legislative Oversight staff analysis of email attachment from Ryan Kaffenberger, senior associate of budget and finance, Council on Postsecondary Education. “2020 CPE Uni Compensation Update-Completed.” Email to William Spears, Oct. 14, 2020; staff analysis of email attachment from Michael Hales, chief financial officer, Northern Kentucky University. “NKU 2020 CPE Uni Compensation Update-V2.” Email to William Spears, Oct. 23, 2020; staff analysis of email attachment from Ryan Kaffenberger, senior associate of budget and finance, Council on Postsecondary Education. “CPE-LRC Updated Administrators 2016-2019 (revised)-V2.xls.” Email to William Spears, Nov. 4, 2020.

Direct compensation was higher at the University of Kentucky and the University of Louisville than at other institutions, with top positions there often earning more than twice the

compensation of similar positions at other institutions. The president's direct compensation was often higher at Western Kentucky University and Northern Kentucky University than at Eastern Kentucky University, Morehead State University, or Murray State University. At the Kentucky Community and Technical College System (KCTCS), system office executives and administrators generally had higher direct compensation than their equivalent positions at the colleges.

Direct compensation across institutions was mostly salary, with 55 percent of reported positions for 2015 to 2019 not receiving other types of cash. Other executives commonly received payments for taking on new responsibilities. Some nonsalary benefits were large. Nine entries for chief executive officers and athletics directors reported additional payments of more than \$250,000. Some KCTCS executives and administrators received executive allowances, which were additional payments with no restrictions, used to retain executives. The number of allowances ranged from 23 in 2017 to 26 in both 2015 and 2016. The median allowance ranged from \$12,217 in 2018 to \$18,695 in 2015.

All other benefits were collected into indirect compensation. All institutions offered health insurance, life insurance, and retirement plans. All institutions offered a defined contribution retirement plan with an employer match. All institutions, other than the University of Kentucky and the University of Louisville, also offered a defined benefit plan. Other benefits included presidential housing, vehicle expenses, moving expenses, cell phone allowances, tuition benefits, and country club dues. Like direct compensation, changes in indirect compensation had no clear pattern but were more likely to increase than to decrease or stay roughly the same for university and KCTCS system office positions.

**Salaries.** Salaries for 2019 were compared against a national median and considered significantly different when they were at least 25 percent greater than or less than the median. Medians were based on a College and University Professional Association for Human Resources survey, where institutions were grouped into categories of doctoral, master, baccalaureate, and associate institutions. The percentage was chosen to eliminate smaller variations from the median that may be due to differences in experience or expected responsibilities. Table 2 shows the number of positions that were above or below the median and the total number of positions sampled in 2019. Kentucky State University has more entries in Table 2 than in Table 1 because some positions were not filled in 2015 and were excluded from Table 1.

**Table 2**  
**Executive And Administrator Salaries Compared Against**  
**National Median**  
**2019**

<b>Institution</b>	<b>Above Median</b>	<b>Below Median</b>	<b>All Positions</b>
EKU	3	1	10
KCTCS colleges	0	14	43
KCTCS system office	5	0	14
KSU	1	4	13
MoSU	0	1	12
MuSU	1	1	10
NKU	11	1	15
UK	9	1	20
UofL	5	2	13
WKU	3	4	12
Total	38	29	162

Note: Salaries were considered above or below the median when salaries were at least 25 percent above or below the median. If multiple individuals held a position in a year, their salaries were combined before being compared against the median. EKU = Eastern Kentucky University; KCTCS = Kentucky Community and Technical College System; KSU = Kentucky State University; MoSU = Morehead State University; MuSU = Murray State University; NKU = Northern Kentucky University; UK = University of Kentucky; UofL = University of Louisville; WKU = Western Kentucky University.

Sources: Legislative Oversight staff analysis of email attachment from Ryan Kaffenberger, senior associate of budget and finance, Council on Postsecondary Education. “2020 CPE Uni Compensation Update-Completed.” Email to William Spears, Oct. 14, 2020; staff analysis of email attachment from Michael Hales, chief financial officer, Northern Kentucky University. “NKU 2020 CPE Uni Compensation Update-V2.” Email to William Spears, Oct. 23, 2020; staff analysis of email attachment from Ryan Kaffenberger, senior associate of budget and finance, Council on Postsecondary Education. “CPE-LRC Updated Administrators 2016-2019 (revised)-V2.xls.” Email to William Spears, Nov. 4, 2020.

Institutions were asked to comment on positions above and below the median. All institutions, except for the University of Kentucky, responded. Comments on positions above the median commonly mentioned having to compete within a market or having significant responsibilities. KCTCS staff said system office compensation was above the median and college compensation was below the median because system office staff have broad leadership roles or specialist duties while college staff focus on local community needs.

### **Supporting Tables**

This memo is supported by compensation data from the institutions and the following tables.

- Description Of Common University Positions
- Turnover And Title Changes At Kentucky’s Institutions, 2015 To 2019

- Categories Of Direct And Indirect Compensation
- Changes In Direct Compensation For Common University Positions, 2015 And 2019
- Changes In Direct Compensation For Common Community College Positions, 2015 And 2019
- Changes In Direct Compensation For System Office Positions, 2015 And 2019
- Direct Compensation Beyond Base Salary, 2015 To 2019
- KCTCS Employees With Executive Allowances, 2015 To 2019
- Benefits Offered By Institutions
- Changes In Indirect Compensation For Common University Positions, 2015 And 2019
- Changes In Indirect Compensation For Common Community College Positions, 2015 And 2019
- Changes In Indirect Compensation For System Office Positions, 2015 And 2019
- University Of Kentucky Salaries Compared To CUPA-HR Medians, 2019<sup>a</sup>
- University of Kentucky Medical Staff 2019 Salaries Compared To CUPA-HR Median, 2019
- University of Louisville Salaries Compared To CUPA-HR Medians, 2019
- Eastern Kentucky University Salaries Compared To CUPA-HR Medians, 2019
- Morehead State University Salaries Compared To CUPA-HR Medians, 2019
- Murray State University Salaries Compared To CUPA-HR Medians, 2019
- Northern Kentucky University Salaries Compared To CUPA-HR Medians, 2019
- Western Kentucky University Salaries Compared To CUPA-HR Medians, 2019
- Kentucky State University Salaries Compared To CUPA-HR Medians, 2019
- Kentucky Community And Technical College System Office Salaries Compared To CUPA-HR Medians, 2019
- Ashland Community And Technical College Salaries Compared To CUPA-HR Medians, 2019
- Big Sandy Community And Technical College Salaries Compared To CUPA-HR Medians, 2019
- Bluegrass Community And Technical College Salaries Compared To CUPA-HR Medians, 2019
- Elizabethtown Community And Technical College Salaries Compared To CUPA-HR Medians, 2019
- Gateway Community And Technical College Salaries Compared To CUPA-HR Medians, 2019
- Hazard Community And Technical College Salaries Compared To CUPA-HR Medians, 2019
- Henderson Community College Salaries Compared To CUPA-HR Medians, 2019
- Hopkinsville Community College Salaries Compared To CUPA-HR Medians, 2019
- Jefferson Community And Technical College Salaries Compared To CUPA-HR Medians, 2019
- Madisonville Community College Salaries Compared To CUPA-HR Medians, 2019
- Maysville Community And Technical College Salaries Compared To CUPA-HR Medians, 2019

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<sup>a</sup> CUPA-HR = College and University Professional Association for Human Resources.

- Owensboro Community And Technical College Salaries Compared To CUPA-HR Medians, 2019
- Somerset Community College Salaries Compared To CUPA-HR Medians, 2019
- Southcentral Kentucky Community And Technical College Salaries Compared To CUPA-HR Medians, 2019
- Southeast Kentucky Community And Technical College Salaries Compared To CUPA-HR Medians, 2019
- West Kentucky Community And Technical College Salaries Compared To CUPA-HR Medians, 2019
- Chief Executive Officers At Kentucky's Institutions, 2015 To 2019
- Senior Institutional Officers At Kentucky's Institutions, 2015 To 2019
- Institutional Administrators At Kentucky's Institutions, 2015 To 2019