



# Postsecondary Education Administrator Compensation

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## Legislative Oversight and Investigations

August 12, 2021



## Methodology

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- Selection based on 18 common administrator positions from previous request
  - Requested 2016 to 2019 compensation for staff present in 2015
- Requested actual amounts paid and all taxable benefits provided by the institutions



## Methodology

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- Grouped compensation into direct and indirect compensation
- Compared compensation in 2015 and 2019
- Compared salaries with typical institutions

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## Methodology: Comparison Concerns

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- Institutions expressed concerns about comparing compensation
  - Used a national comparison study in which most Kentucky institutions participated
    - College and University Professional Association for Human Resources (CUPA-HR) annual report
  - Allowed feedback on classifications and comparisons

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## Data Issues

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- Amounts paid rather than salary
  - Vacancies
  - Transitions between staff
  - Changing responsibilities
- Commonly combined benefits
- Mix of fiscal and calendar years

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## Timing of Update

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- Providing now which is consistent with generally accepted auditing standards
  - Completeness
    - Stating what was done; explicitly describing data limitations, constraints, or other issues.
  - Timeliness
    - Provide report while current

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## Personnel Costs As A Percentage Of Total Expenditures, FY 2021 And FY 2022

<b>Institution</b>	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
Northern Kentucky University	60.3%	60.7%*
Kentucky State University	60.8	60.6
Murray State University	56.5	57.2
University of Louisville	53.5	53.6
Western Kentucky University	49.7	50.2
University of Kentucky	48.7	48.6
Morehead State University	45.2	46.4
Kentucky Community and Technical College System	46.3	46.2
Eastern Kentucky University	41.7	43.0

\*Northern staff stated that exiting the Kentucky Employees Retirement System has reduced its actual personnel costs to 53.7 percent of total expenditures.

Source: 2021-2022 Budget of the Commonwealth, Operating Budget – Volume 1 (Part C)

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## Table 2: Turnover and Title Changes

- Turnover: any time administrators changed
  - Changes for administrator background
  - Common at universities and colleges
- Title change: any significant change in titles
  - Changes for new responsibilities
  - Common at universities

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## Direct Compensation

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- Base salary
- Additional payments
- KCTCS executive allowance
- Bonuses
- Incentive Pay
- Vacation leave, termination, voluntary payouts
- Nonretirement deferred compensation

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## Tables 4, 5, 6: Direct Compensation Changes, 2015 And 2019

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- No obvious patterns of increases or decreases across job classifications
- Increases more common at UK and EKU
- Decreases more common at UofL
- Direct compensation for top positions higher at UK, UofL, WKU, and NKU
- Direct compensation for KCTCS system office executives higher than college counterparts

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## Tables 7, 8: Direct Compensation Beyond Salary, 2015 To 2019

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- Most administrators (55 percent), only received a base salary
- Includes pay for new roles or responsibilities
  - Nine entries with more than \$250,000 each
- Includes KCTCS executive allowances
  - 24 administrators
  - \$12,000 to \$19,000

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## Indirect Compensation

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- Health insurance
- Life insurance
- Retirement
- Other benefits include housing, vehicles, and moving assistance

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## **Tables 10, 11, 12: Indirect Compensation Changes, 2015 And 2019**

- Changes of 10 percent or greater
- Parts of indirect compensation based on salary
- No obvious patterns of increases or decreases with classifications across institutions
- Increases more common at UK and ECU
- Decreases more common at Kentucky State, MoSU, MuSU, and WKU

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## **2019 Salary Comparisons**

- Compared against national median
- CUPA-HR survey
  - Institutions categorized into doctoral, master, baccalaureate, and associate
- 25 percent greater than or less than median
  - Threshold removed smaller variations

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## Tables 13 To 38: Executive And Administrator Salaries Compared Against National Median, 2019



Institution	25% Above Median	25% Below Median	All Positions
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
<b>Total</b>	<b>38</b>	<b>29</b>	<b>162</b>

Sources: Legislative Oversight staff analysis of email attachment from Ryan Kaffenberger, senior associate of budget and finance, Council on Postsecondary Education. Email to William Spears, Oct. 14, 2020; staff analysis of email attachment from Michael Hales, chief financial officer, Northern Kentucky University. 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. Email to William Spears, Nov. 4, 2020

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## Examples Of University Administrator Salaries Above The National Median



- Athletics administrators
  - 6 universities reported salaries above the median
  - 4 universities reported salaries 100% or more above the median
- Chief executive officers
  - 5 universities reported salaries above the median

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## Kentucky Institution Responses

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- Institutions were asked to comment on positions with salary at least 25 percent above or below the median
  - Competition
  - Responsibilities of staff
  - KCTCS structure
  - UK and UofL scope

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## Conclusion

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- Compensation is affected by myriad variables
  - Market competition
  - Retention
- Difficult to identify trends
  - Turnover in positions
  - Changing responsibilities
- CUPA-HR median salaries can serve as a reference

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