Executive Committee Report

For period May 2020

The Executive Committee met on May 20 and May 27.

May 20 Meeting

1. AAUP Solidarity Document

The committee discussed the AAUP document (attached), agreed to support it, and to bring it forward to the Faculty Senate body for discussion/consideration. The statement seeks agreement that financial cuts be shared starting from the top of the organization down, that faculty have an active voice in shared decision making, and that we reaffirm the critical role of higher education in responding to crises such as the pandemic.

2. Retirement Contributions

The committee discussed the halting of retirement contributions and composed several questions that were sent to Dan Durbin. His responses are attached.

3. Ideas from Scenario Planning Committee

The committee discussed items relating to fall scenario planning and provided feedback to that committee on the use of hybrid (at what percentage) asynchronous versus synchronous, Delphi role in training, unique challenges in STEM, Theater and Music disciplines, and similar issues. Units are creating their own scenario guidelines.

May 27 Meeting

COVID planning and response/ Pivot to Fall

This was an abbreviated 30 minute committee meeting, the entirety was focused on fall course delivery and the best approaches for creating safer environments to teach, and for students to learn.

Faculty Solidarity Statement & Call for Refocus on Academic Mission

Sponsored by
Kentucky Conference of the American Association of University Professors

May 2020

To: College and University Administrations, Kentucky's State and Federal Lawmakers

College and university faculty are the heart and soul of Kentucky's institutions of higher education. Whether a graduate teaching assistant, adjunct, full-time non-tenured, or full-time tenured/tenure-track, each faculty member plays a key role in educating students and providing critical research.

We are keenly aware of the disruptions caused by COVID-19 and their immediate and projected impacts on college and university budgets. This is an unsettling time for higher education. The decisions that will be made in the short-term will have long-term consequences.

Our colleges and universities must take this opportunity to refocus on the instructional and research missions of our institutions. For decades, too many resources have been spent on endeavors peripheral to the core mission.

There must be shared sacrifice. Academics have experienced numerous budget cuts in the past decade. We cannot accept faculty furloughs, program eliminations, and other cuts that gut academics while administration, athletics, and other auxiliary ventures go relatively unscathed. We applaud those institutions that have asked for shared sacrifice starting at the top. There should be a sliding scale of burden, based on income, with those earning the most giving up a greater portion. It is essential that the faculty take an active role in these decisions, with a level of input commensurate with the importance of the academic mission of their institutions.

Kentucky's institutions of higher education are the entities training the healthcare workers that are on the front lines of the pandemic, and they are the entities that will be there for other workers looking for a new degree and new skills during the economic recovery. While higher education may seem like a luxury to some in these troubling times, it cannot be treated as an afterthought given the role it has played and will continue to play in our healthcare system and economy.

Now is the time for faculty, who know the teaching/learning process in higher education to assume the decision-making capacity for which their training and experience qualify them; for institutions to refocus resources on the academic mission; and for our government leaders to make sure Kentucky's institutions are well-positioned to provide excellent higher education, now and in the future.

Attachment 2

Retirement Questions

Staement/request from Executive Committee:

“We urge that faculty and staff whose funding sources for supplemental pay and benefits do not affect the operating budget immediately and retroactively be allowed to pay themselves full benefits (especially, but not exclusively, 403(b) matching) from the external grants and contracts that fund the supplemental pay.”

Dan Durbin’s Response

Doing what is being asked first violates federal rules pertaining to grants management. We attempted to address this in our research related COVID-19 areas. Here are those responses:

Question: How do these pay reductions impact the amount that can be charged to externally sponsored programs (e.g., grants and contracts)? If a researcher is paid from externally sponsored programs can the percentage of their compensation charged to the external sponsor be exempt from the pay reduction?

Answer: The pay reductions are considered a reduction to the Institutional Base Salary (IBS) of the employee during the April 1st to June 30th time period (or longer if needed). The IBS serves as the basis for the amount charged to an externally sponsored program and therefore the compensation amount charged to an externally sponsored program will decrease in alignment with the percentage pay reduction. From a sponsored program compensation perspective, the university must treat each funding source in a consistent manner. The university cannot elect to decrease the compensation paid from one source (e.g., institutional funds) while continuing to pay at the original compensation level from a second source (e.g., a federal grant). Therefore, the percentage of an employee’s compensation paid from an externally sponsored source cannot
be exempt from the pay reduction. Please note that currently approved X-Pays and X-Bens for funded summer research activities will not be impacted because these are not considered part of IBS. Any new X-Pays and X-Bens for such activities must be approved through the current university approval process.

Question: Can payments from externally sponsored programs (e.g., grants and contracts) be exempted from any retirement contribution changes?
Answer: From a sponsored-program compensation (i.e., salary and benefits) perspective, the University must treat each funding source in a consistent manner. The University cannot elect to decrease the benefits paid from one source (e.g., institutional funds) while continuing to pay at the original benefit level from a second source (e.g., a federal grant). Therefore, externally sponsored programs cannot be exempt from any changes to retirement benefits.
The drivers of this policy are grounded in the federal rules that govern how we must manage sponsored awards (it’s called Uniform Guidance) and the requirement to treat all sources of funding the same appears in many sections. Also, when they refer to “compensation” they are referring to both salary and benefits. such as:

§200.430 Compensation—personal services.

(a) General. Compensation for personal services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the Federal award, including but not necessarily limited to wages and salaries. Compensation for personal services may also include fringe benefits which are addressed in §200.431 Compensation—fringe benefits. Costs of compensation are allowable to the extent that they satisfy the specific requirements of this part, and that the total compensation for individual employees:

(1) Is reasonable for the services rendered and conforms to the established written policy of the non-Federal entity consistently applied to both Federal and non-Federal activities;

(2) Follows an appointment made in accordance with a non-Federal entity's laws and/or rules or written policies and meets the requirements of Federal statute, where applicable; and

(3) Is determined and supported as provided in paragraph (i) of this section, Standards for Documentation of Personnel Expenses, when applicable.

(b) Reasonableness. Compensation for employees engaged in work on Federal awards will be considered reasonable to the extent that it is consistent with that paid for similar work in other activities of the non-Federal entity. In cases where the kinds of employees required for Federal awards are not found in the other activities of the non-Federal entity, compensation will be considered reasonable to the extent that it is comparable to that paid for similar work in the labor market in which the non-Federal entity competes for the kind of employees involved.

Next, extending this benefit to only some of our employees could create a discriminatory benefit issue where some people, especially the highly compensated ones (defined by Feds at $130k) receive a benefit that others with lower compensation do not.