

UNIVERSITY OF KANSAS

Office of Institutional Research and Planning

11/18

TABLE 8-101
PERCENTAGE ANNUAL INCREASES
UNCLASSIFIED, SUPPORT STAFF, STUDENT SALARIES
AND OTHER OPERATING EXPENDITURES
FROM STATE APPROPRIATIONS AND TUITION ENHANCEMENTS
FISCAL YEAR 1968-2019
 University of Kansas
 Lawrence Campus

Fiscal Year	Unclassified Salaries	Classified Service Salaries			Student Salary Increase	Other Operating Expenditures
		Base Increase	Estimated Step Increase	Base and Step Increase		
1968	6.0%					
1969	6.0			Data not available		
1970	6.0					
1971	6.0	0.0%	5.0%	5.0%		
1972	0.0	0.0	5.0	5.0		0.0%
1973	5.0	0.0	5.0	5.0		5.0
1974	5.5	5.0	5.0	10.0		0.0
1975	10.0	5.5 ¹	5.0	10.5		7.4
1976	10.0	5.0 ²	4.8	9.8		15.0
1977	8.0	2.8 ³	4.8	7.6		10.0
1978	6.0	3.0 ⁴	4.8	7.8		7.5
1979	7.0	7.25 ⁵	4.8	12.05		7.0
1980	6.5	4.0 ⁶	4.8	8.8		6.0
1981	9.0	NA ⁷	NA ⁷	12.5	6.9%	7.0
1982	7.0	5.0	5.0	10.0	8.1	5.5
1983	7.5	6.5	1.25	7.75	8.75	6.0
1984	4.5 ⁸	4.5 ⁸	--	4.5 ⁸	4.5 ⁸	6.5
1985	7.0	5.0 ⁹	--	5.0	5.0	7.0

In the calculations of classified service salary percent increases, the dollar increments have been ignored, thus understating the increase in the base.

SEE FOLLOWING PAGES FOR FOOTNOTE EXPLANATIONS.

(continued)

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TABLE 8-101 (continued)
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 FISCAL YEAR 1968-2019
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NOTE: Beginning FY 1986 Unclassified salary increases have been split to reflect faculty increases separate from Unclassified nonfaculty staff.

Fiscal Year	Faculty Salaries	Unclassified Nonfaculty Salaries	Classified Service Salaries			Student Salary Increase	Other Operating Expenditures
			Base Increase	Estimated Step Increase	Base and Step Increase		
1986	5.0% ¹⁰	5.0% ¹⁰	5.5%	--	5.5%	5.0%	5.0%
1987	2.5 ¹¹	2.5 ¹¹	3.0	2.5%	5.5	2.5	3.0
1988	3.0 ¹²	3.0 ¹²	2.0 ¹²	2.5 ¹²	4.5 ¹²	1.25	3.0 ¹³
1989	7.3 ¹⁴	7.3 ¹⁴	4.0	2.5	6.5	4.0	4.0
1990	7.55 ¹⁵	7.55 ¹⁵	3.0	2.5	5.5	4.0	4.0
1991	2.7 ¹⁶	2.7 ¹⁶	1.5	2.5	4.0	0.0	1.75 ¹⁶
1992 ¹⁷	2.5	2.5	0.0	2.5	2.5	0.0	0.0
1993	3.5 ¹⁸	3.5 ¹⁸	1.0 ¹⁸	2.5	3.5 ¹⁸	3.5 ¹⁸	4.0 ¹⁹
1994	2.25 ²⁰	2.25 ²⁰	0.5	2.5	3.0	2.5	2.75
1995	6.5 ²¹	4.0 ²¹	1.5 ²²	2.5	4.0	2.5	2.0
1996	3.5 ²³	3.5 ²³	1.0	2.5	3.5	3.5 ²⁴	1.5
1997	2.5 ²⁵	2.5 ²⁵	0.0	2.5	2.5	2.5 ²⁵	0.0
1998	3.5	3.5	1.0	2.5	3.5	3.5	2.0
1999	4.0	4.0	1.5	2.5	4.0	4.0	2.0
2000	4.8 ²⁶	3.5	1.0	2.5	3.5	3.5	2.5

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FISCAL YEAR 1968-2019
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NOTE: Beginning FY 2006 employees in the Classified Service were recategorized as University Support Staff.

Fiscal Year	Faculty Salaries	Unclassified Nonfaculty Salaries	University Support Staff Salaries ³⁶	Classified Service Salaries			Student Salary Increase	Other Operating Expenditures	Other Operating Expenditure Dollars From Tuition Enhancement
				Base Increase	Estimated Step Increase	Base and Step Increase			
2001	5.9% ²⁷	2.5%		0.0%	2.5%	2.5%	2.5%	0.0%	
2002	6.0 ²⁸	3.0 ²⁹		3.0 ²⁹	0.0	3.0 ²⁹	3.0 ²⁹	1.0	
2003	0.0	0.0		0.0	0.0	0.0	0.0 ³⁰	0.0	\$ 7,920,000 ³⁵
2004	3.0 ³¹	3.0 ³¹		1.5 ³¹	0.0	1.5 ³¹	0.0 ^{30/31}	0.0	11,051,500 ³⁵
2005	6.0 ³²	5.0 ³²		3.0 ³³	0.0	3.0 ³³	3.0 ³⁴	0.0	13,941,500 ³⁵
2006	5.5 ³⁷	4.5 ³⁷	4.5 ³⁶				2.5 ³⁸	0.0 ³⁹	18,758,500 ³⁵
2007	5.5 ⁴⁰	4.5 ⁴⁰	4.5 ⁴¹				5.5 ⁴²	0.0	21,078,500 ⁴³
2008	5.5 ⁴⁴	4.5 ⁴⁴	4.5 ⁴⁵				4.0 ⁴⁶	2.5 ⁴⁷	611,211 ⁴⁸
2009 ⁵³	3.0 ⁴⁹	3.0 ⁴⁹	3.0 ⁵⁰				3.5 ⁵¹	0.0	0 ⁵²
2010 ⁵⁴	0.0	0.0	0.0				0.0	0.0	
2011 ⁵⁵	0.0	0.0	0.0				0.0	0.0	
2012 ⁵⁶	2.0	2.0	2.0				2.0	0.0	
2013 ⁵⁷	2.0	2.0	2.0				2.0	0.0	
2014 ⁵⁸	2.0	2.0	2.0				2.0	0.0	
2015 ⁵⁹	2.0	1.75	1.75				1.75	0.0	

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TABLE 8-101 (continued)
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<u>Fiscal Year</u>	<u>Faculty Salaries</u>	<u>Unclassified Nonfaculty Salaries</u>	<u>University Support Staff Salaries</u> ³⁶	<u>Student Salary Increase</u>	<u>Other Operating Expenditures</u>
2016 ⁶⁰	0.0%	0.0%	0.0%	0.0%	0.0%
2017 ⁶¹	2.0%	2.0%	2.0%	2.0%	0.0%
2018 ⁶²	0.0%	0.0%	0.0%	0.0%	0.0%
2019 ⁶³	0.0%	0.0%	0.0%	0.0%	0.0%

SEE FOLLOWING PAGES FOR FOOTNOTE EXPLANATIONS.

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TABLE 8-101 (continued)
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EXPLANATIONS FOR FOOTNOTES IN THE TABLE

- ¹ Classified base increase 5.5% if monthly salary more than \$500; if less, \$30 per month.
- ² Classified base increase 5.0% plus \$25.
- ³ Classified base increase 2.8% plus \$15.
- ⁴ Classified base increase 3.0% or \$25, whichever is less.
- ⁵ Classified base increase 7.25% to a maximum of \$125.
- ⁶ Classified base increase 4.0% plus \$26.
- ⁷ NA - not applicable, university under new pay plan.
- ⁸ Increases delayed until January 1984 so "annual" increase amounted to 2.25%.
- ⁹ Classified base increase 5.0% plus \$204.
- ¹⁰ There was an increase in the state of Kansas contribution to the unclassified retirement programs from 5% to 6% of salary.
- ¹¹ There was an increase in the state of Kansas contribution to the unclassified retirement programs from 6% to 7% of salary.
- ¹² Increase delayed by the Legislature until January 1988 so "annual" increase amounted to half the listed amount. Additionally, there was an increase in the state of Kansas contribution to the unclassified retirement programs from 7% to 8% of salary.
- ¹³ 1.0% of OOE increase was one-time only.
- ¹⁴ 7.3% increase was 5.0% merit and 2.3% Margin of Excellence.
- ¹⁵ 7.55% increase was 5.0% merit and 2.55% Margin of Excellence.
- ¹⁶ 4.0% increase for unclassified and 2.75% for OOE were first approved by the Legislature then a 1.75% roll back in all General Fund appropriations was approved. KU allocated the net new money as 2.7% for salaries and 1.75% for OOE.
- ¹⁷ In August 1991, the Governor implemented a 1% State General Fund reduction. This action lowered the KU base, and funds from sources throughout the University were used to cover the reduction.
- ¹⁸ 1% unclassified, 1% classified base increase, and 1% student help delayed by the Legislature until January 1993 so "annual" increase amounted to 3.0%.
- ¹⁹ Due to a 1% State General Fund reduction (approximately \$1 million) imposed by the Legislature, only 2.5% of the 4.0% OOE base increase was allocated. The remaining 1.5% of the base increase plus additional funds from the units (approximately \$700,000) were used to cover this reduction.
- ²⁰ Additionally, there was an increase in the state of Kansas contribution to the unclassified retirement programs from 8% to 8.5% of salary, together with requiring an additional employee contribution from 5% to 5.5% of salary.
- ²¹ 1.5% of the 4.0% was delayed by the Legislature until mid-September. An additional \$1.9 million, which equaled 2.5%, was appropriated for ranked faculty merit pool.
- ²² 1.5% increase was delayed by the Legislature until mid-September.
- ²³ 3.5% increase was delayed by University policy until January 1996 so "annual" increase amounted to 1.75%.
- ²⁴ 3.5% passed by the Legislature. 1.75% allocated to units by University policy, balance allocated to University Libraries to meet student help needs.
- ²⁵ 2.5% increase was delayed by the Legislature until January 1997 so "annual" increase amounted to 1.25%.
- ²⁶ The 4.8% increase is comprised of two components: 1) appropriation of 3.5% merit, 2) faculty salary enhancements of 1.3% (KU received \$889,500 of the \$3.4 million appropriated to the Regents for these enhancements.)
- ²⁷ The 5.9% increase is comprised of two components: 1) appropriation of 2.5% merit, 2) faculty salary enhancements of 3.4% (KU received \$2,261,267 of the \$8.4 million appropriated to the Regents for these enhancements.)
- ²⁸ The 6.0% increase is comprised of two components: 1) appropriation of 3.0% merit, of which 1.5% was delayed by the Legislature for 4 ½ months for 9 month faculty, and 6 months for 12 month faculty; 2) faculty salary enhancements of 3.0% (KU received \$2,378,777 of the \$8.4 million appropriated to the Regents for these enhancements.)
- ²⁹ Of the 3.0% increase, 1.5% was effective the beginning of the fiscal year and the remaining 1.5% was delayed by the Legislature until mid-December.
- ³⁰ Graduate teaching assistants new contract included a 10% increase to the merit salary pool for each of three years.

(continued)

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TABLE 8-101 (continued)
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- ³¹ 1.5% salary increases were delayed by the Legislature until mid-August. Additional tuition enhancement funds were allocated to raise continuing faculty and unclassified nonfaculty salary increases to approximately 3.0%. The student salary base was increased by \$300,000. A major change in state funding support for Kansas universities occurred in 2001. The university is now funded by a block grant with full tuition ownership, all paid tuition remains at KU. The Board of Regents required each university to develop a five-year tuition strategy. For KU's five year tuition enhancement plan KU chose to hire 100 more faculty, increase compensation for GTAs, GRAs, and student hourly employees, direct millions to financial aid and technology improvements, academic departments and other operating needs.
- ³² Due to timing of tuition increase approved by Board of Regents, salary increases were delayed until beginning of third pay period, July 4, 2004. Funding sources of merit increase funds: 3.0% - state appropriations and 2% - tuition enhancement funds. An additional 1.0% for tenure/tenure-track faculty from S.B. 345 faculty salary enhancement funds - KU received \$956,417 of the \$3,333,426 appropriated to the Regents for these enhancements.
- ³³ Cost of Living effective at the beginning of the fiscal year.
- ³⁴ Plus an additional 7% (for a total of 10%) for GTA pools - consistent with the contract.
- ³⁵ Tuition enhancement funds are used for technology, department other operating expenditures, faculty startup funds, library, and classroom improvements.
- ³⁶ On July 3, 2005 employees in the Classified Service were moved to a new employee category – University Support Staff (USS). This transition was part of a multi-year process which included an on-campus vote of those in the Classified Service, Legislative Authorization, and approval by the Board of Regents. The major differences between Classified and USS are a) pay rates are no longer linked to a matrix; and b) part of the salary increases will be merit-based. FY 2006 pay rate increases included (1) while the employees remained in the Classified Service, a 1.25% COLA beginning with the first pay period; 2) additional funds to provide a COLA totaling 3% (from the FY 2005 pay matrix) - which was made effective on July 3, 2005 upon conversion into USS; and 3) an additional pool of funds to be used for the merit-based component; sufficient funding was allowed to provide an additional 1.5% increase (average) to be effective with the pay period beginning September 11, 2005.
- ³⁷ Due to timing of tuition increase approved by Board of Regents, salary increases delayed until July 3, 2005, beginning of the third pay period. Funding sources of merit increase funds: 2.5% state appropriations or tuition maintenance increases; 2.0% tuition enhancement funds. An additional 1.0% for tenure/tenure track faculty from faculty salary enhancement funds - KU received \$978,260 of the \$3,333,426 appropriated to the Regents for these enhancements.
- ³⁸ Allocations for student hourly increased by 2.5% for the FY 2006 working budget. Since the GTA contract will be renegotiated during Fall 2005, GTA allocations were not increased for the FY 2006 working budget.
- ³⁹ Additional OOE allocations (from tuition enhancement funds) to be made during FY 2006.
- ⁴⁰ Salary increases were effective at the beginning of the fiscal year, pay period beginning June 18, 2006. Funding sources of merit increase funds: 2.5% state appropriations and/or tuition maintenance increases; 2.0% tuition enhancement funds. An additional 1.0% for tenure/tenure track faculty from faculty salary enhancement funds - KU received \$1,004,855 of the \$3,333,426 appropriated to the Regents for these enhancements.
- ⁴¹ USS salary increases came from state appropriations and/or tuition maintenance and consisted of two components 1) 3% across the board for all eligible staff members; 2) 1.5% merit pool. Salary increases were effective at the beginning of the fiscal year, pay period beginning June 18, 2006.
- ⁴² \$250,000 of general use funds (tuition enhancement monies) was allocated to permanently fund a 50 cent increase in the student hourly wage (to \$6.50 per hour), effective on August 28, 2005. Since the GTA contract has not been finalized, GTA allocations were not increased for the FY 2007 working budget.
- ⁴³ Tuition enhancement funds were allocated for technology, classroom improvements, faculty startup, faculty travel, miscellaneous program support, renovation reserve, and miscellaneous departmental OOE.
- ⁴⁴ FY 2008 salary increases were effective at the beginning of the fiscal year, pay period beginning June 17, 2007.
- ⁴⁵ USS salary increases consisted of two components: 3% across the board for all eligible staff members and 1.5% merit pool. FY 2008 salary increases were effective at the beginning of the fiscal year, pay period beginning June 17, 2007.
- ⁴⁶ GTA pools increased by 17.4% - the net impact of compounding a 5.5% increase for three years - FY 2006, FY 2007, and FY 2008. Student hourly pools increased by 4.0%, sufficient funding to increase the student hourly minimum wage from \$7.00 per hour to \$7.25 per hour at the beginning of FY 2008.

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TABLE 8-101 (continued)
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- ⁴⁷ Net increase to OOE budgets was 2.5%: GU funds \$307,229 added to units plus reallocated savings available from a reduction in telephone charges.
- ⁴⁸ OOE increases to all units -\$307,229; Student Success Initiatives -\$169,480; International Programs, Global Awareness and Study Abroad - \$50,300; College Honors Program - \$45,000; Center for Service Learning, Environmental Sustainability Center, IDS - \$39,202.
- ⁴⁹ FY 2009 salary increases were effective at the beginning of the fiscal year, pay period beginning June 15, 2008. Academic year faculty salary increases were effective with pay period beginning August 18, 2008.
- ⁵⁰ USS salary increases consisted of two components: 2% across the board for all eligible staff members and 1% merit pool. FY 2009 salary increases were effective at the beginning of the fiscal year, pay period beginning June 15, 2008.
- ⁵¹ GTA pools increased by 3%. Student hourly pools increased by 3.5%, sufficient funding to increase the student hourly minimum wage from \$7.25 per hour to \$7.50 per hour effective July 27, 2008.
- ⁵² Tuition enhancement funds for OOE enhancements fully allocated. No additional funds allocated for FY 2009.
- ⁵³ During FY 2009, the State General Fund appropriation for operating funds was reduced by a total of \$9,480,870 from the original amount approved by the 2008 Legislature. This amount included an across the board reduction of 3% (November 2008) and an additional 1.25% (January 2009.) The across-the-board reductions totaled \$6,539,069. The remaining portion of the reduction came from a moratorium in Health Insurance and Death & Disability premiums paid. Coverage for all eligible employees continued, but the savings were returned to the State. In addition to the amounts specified above, the line-item appropriation for the School of Pharmacy Expansion planning was reduced by \$42,500 (4.25%).
- ⁵⁴ The State General Fund appropriation established by the 2009 Legislature shows a net reduction of \$15,140,112 from the original amount approved by the 2008 Legislature for FY 2009. This amount includes \$349,073 attributed to a moratorium on Death & Disability premiums paid in the first five months of FY 2010. Coverage for all eligible employees continues, but the savings were returned to the State. The balance of the reduction calculates as a 9.6% reduction to operating funds within the State General Fund appropriation. As of July 2, 2009, subsequent to the beginning of FY 2010, the Governor imposed a budget allotment thereby decreasing appropriation amounts by an additional 2%. In November 2009, the Governor imposed further statewide spending reductions resulting in the Lawrence campus State appropriation being cut by an additional \$364,262.
- ⁵⁵ The State General Fund appropriation set by the 2010 Legislature for FY 2011, excluding School of Pharmacy debt service, shows a reduction of \$3,334,826 from the original amount approved by the 2009 Legislature for FY 2010. This amount includes \$179,658 attributed to a moratorium on Death & Disability premiums for the last six pay periods of FY 2011. Coverage for all eligible employees continues, but the savings are returned to the State. The balance of the reduction calculates as a 2.4% reduction to operating funds within the State General Fund appropriation.
- ⁵⁶ Salary increases were not made effective at the beginning of the fiscal year. However, the university provided an annualized 2% merit pool effective mid-year for faculty and unclassified non-faculty staff. For USS, the pool consisted of \$500 per FTE across-the-board with the balance of the funds available in a merit pool of 0.5%. Two percent adjustments were also made to GTA, GRA, and student hourly pools. As there were no additional state funds, the salary increases were funded using monies generated from the FY 2012 tuition rate increase. Overview of State General Fund - FY 2012. The Governor's original recommendation for FY 2012 State General Fund was a continuation of the previous year's appropriation plus restoration of the Death and Disability moratorium. However, because the State revenue shortfalls and the need to replace discontinued federal stimulus funding in some agencies, the Legislature reduced SGF expenditures by imposing an across the board reduction in SGF of 1.193% and enacted other targeted reductions in certain types of expenditures. Specific reductions included a 5% reduction in information technology expenditures, a 20% reduction in cell phone expenditures, and reductions for office supplies and bottled water. Similar to FY 2011, there will be a moratorium in the payment of Death and Disability insurance premiums for the last six pay periods in FY 2012. But unlike last year, special revenue savings resulting from the moratorium will not be swept by the state. As has been the case for the past several years, there is no operating grant adjustment from the Board of Regents for FY 2012.

(continued)

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⁵⁷ The FY 2013 Tuition Proposal allowed for a 2% pool for salary increases. These salary increases were effective at the beginning of the fiscal year (or academic year for individuals not on a fiscal year contract) for all non-Union personnel. Overview of the State General Fund -FY 2013. The Governor's original recommendation for FY 2013 State General Fund was a continuation of the previous year's appropriation plus \$3.0 million to hire professors of the highest status to increase the university's rankings nationally and internationally. Similar to last year, the 2012 Legislature decided to impose a moratorium in the payment of Death and Disability insurance premiums for the last six pay periods in FY 2013. Like last year, special revenue savings resulting from the moratorium will not be swept by the state. As has been the case for the past several years, there is no operating grant adjustment from the Board of Regents for FY 2013. During FY 2013 KU offered a voluntary separation incentive program (VSIP) to faculty and staff age 62 and older. Ninety-seven personnel accepted the offer - 11 faculty, 20 unclassified professional staff, and 66 university support staff.

⁵⁸ Salary increases were not made effective at the beginning of the fiscal year. The university provided an annualized two percent merit pool effective mid-year for faculty (01/01/2014) and unclassified nonfaculty staff (01/05/2014). For USS, the pool consisted of 1.33% across-the-board with the balance of the funds available in a merit pool of 0.67%. Two percent adjustments were also made to GTA, GRA, and student hourly pools. During the 2013 legislative session, reductions totaling \$3.3 million were made a) to accomplish a 1.5% State General Fund reduction of \$2,055,690; and b) for an amount of \$1,308,500 labeled as a "salary sweep." As there were no additional state funds, the salary increases were funded using monies generated from the FY 2014 tuition rate increase. In addition to the merit increases, the university undertook a **Classification and Market Study**. The study is being conducted in order to better recruit, retain, and develop quality staff. The study is reviewing and redesigning, where applicable, our current employee classification and compensation system for the Lawrence and Edwards campuses. The study is for nonfaculty staff only; faculty, academic staff, and student employees will not be included. The university partnered with CBIZ Human Capital Services to conduct the analysis. Phase I included 1,432 positions in Administrative Support; Facilities Planning, Design, and Operations; (Central) Information Technology; Library Services; and Public Safety and was implemented with the pay period beginning November 10, 2013. Phase II includes job families: Advising, Career, and Student Services; Educational Support and Delivery; Food Service and Dietary; Healthcare; Museum and Arts; Public Affairs; Publishing; TV, Radio and Video Production. Implementation was with the pay period beginning March 16, 2014. Phases III and IV are expected to be completed by February 2015. The goals of the study are to: 1) develop and define KU's compensation philosophy; 2) develop an equitable, consistent, and competitive classification and compensation plan; 3) ensure the plan supports sound principles of compensation design; 4) create consistent titling, clearer career paths, and recognizable differences between the jobs; 5) ensure internal equity between positions; and 6) achieve a competitive pay relationship with the market.

⁵⁹ Salary increases were not made effective at the beginning of the fiscal year. The university provided an annualized two percent merit pool effective at the beginning of the academic year for faculty (August 17, 2014) and a 1.75 percent merit pool on August 4, 2014 for unclassified non-faculty. For USS, the pool consisted of 1.15% across-the-board with the balance of the funds available in a merit pool of 0.60%. 1.75 percent adjustments were made to GRA and Student Hourly pools while 2% adjustments were made to the GTA pools. In addition, budgets in the academic areas were augmented in order to implement a minimum rate of \$14,000 for GTA half-time appointments. This adjustment was in accordance with the memorandum of understanding. When the Governor made his budget recommendations to the 2014 Legislature, the balance of the "salary sweep" was restored. The 2014 Legislature enacted a statewide \$250 bonus for full-time permanent state employees and the funding was appropriated. As there were no additional state funds, the salary increases were funded using monies generated from the FY 2015 tuition rate increase. Faculty Promotion Bonuses were increased from prior years' allocations - from \$2,000 to \$5,000 for each assistant professor promoted to associate professor. From \$4,000 to \$10,000 for each associate professor promoted to full professor. In addition to the merit increases, the **Classification and Market Study** continued in FY 2015. Phase III (including job families: Research & Information Technology - Research/Academic Computing and Technology) was implemented with the pay period beginning December 7, 2014.

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EXPLANATIONS FOR FOOTNOTES IN THE TABLE

⁶⁰ At the beginning of FY 2016, the State General Fund appropriation totaled \$137.7 million. While the 2016 Legislature made a supplemental appropriation to the Kansas Geological Survey of \$100,000, the overall amount was subsequently reduced by \$3.9 million; the impact of this reduction was borne solely by the Operating Expenditure line-item. The Governor's recommendation for FY 2016 State General Fund included a \$997,878 reduction for fringe rate adjustments. During the legislative session, KPERS rate of contribution was reduced to 10.91% and because of a moratorium in the D&D rate for the last seven pay periods, the SGF line items were further decreased by a total of \$421,637. The FY 2016 Tuition Proposal included a 1% pool of salary increase funds to reward excellence in teaching, research, and leadership, and to target retention of key faculty and staff. Implementation of merit increases (effective mid-year) was based on no significant changes in state funding occurring. While the state funding has not been reduced during Fall 2015 semester and KU's freshman enrollment grew this fall, lingering challenges in retention that led to lower overall undergraduate enrollment, as well as changes to the 4-year tuition compact, have led to a drop in tuition revenue. The merit pool will be held as a rainy day fund in the event of new challenges. Faculty Promotion Bonuses provided - \$5,000 for each assistant professor promoted to associate professor and \$10,000 for each associate professor promoted to full professor. A revised Memorandum of Agreement for Graduate Teaching Assistants (GTAs) was ratified and became effective on July 1, 2015; the most noteworthy change relates to an increase in the minimum salary (\$14,250 for the 2015-2016 academic year.) Units were allocated sufficient funds to provide increases to the new minimum. The University implemented the final phase of the **Classification and Market Study**. Phase IV (including Administrative and Management job families) was implemented with the pay period beginning July 5, 2015.

⁶¹ The 2015 Legislature had established the FY 2017 State General Fund budget at \$141 million. This total included a one-time allowance of \$3.3 million for the 27th pay period and other adjustments to the Principal and Interest funds for payment of debt service. During the 2016 Legislative Session, an additional \$100,000 was appropriated for the Kansas Geological Survey to monitor seismic activity in south central Kansas. However, an additional \$700,000 was removed because of a moratorium in the D&D fringe rate for the entire year. In the closing hours of the session, an aggregate amount of \$7 million was also removed. Salary increases are effective mid-year, November 20, 2016 for faculty and staff with fiscal year appointments, January 1, 2017 for faculty and graduate teaching assistants with academic year appointments. The FY 2017 Tuition Proposal included a pool of salary increase funds to increase the overall compensation package and to retain outstanding faculty and staff. This amount funded a merit pool equivalent to a 2.0% average increase for faculty, staff, GTAs, and student employees effective mid-year. In addition to the merit increase, schools and departments continue to work to keep outstanding faculty through retention offers. A general merit pool of 1.5% was available for all eligible faculty and unclassified professional staff appointed to regular positions. Merit recommendations could not be across-the-board and evaluations for prior periods were to be taken into consideration. In addition, there was an allowance allocated for exceptional merit. For university support staff, there was an across the board component of 1.33%. An additional pool was made available for the deans/vice provost to reward superior performance. The Tuition Advisory Committee recommended increasing KU-Lawrence's lowest salaries to compensate for increased employee health insurance costs. With implementation of mid-year salary increases, fiscal year staff earning \$30,000 or less were granted an additional \$500 increase to their base salaries. The amount was pro-rated for appointments less than full-time. Faculty Promotion Bonuses provided \$5,000 for each assistant professor promoted to associate professor and \$10,000 for each associate professor promoted to full professor. These increases were effective at the beginning of the academic year, not delayed to mid-year. FLSA - An additional part of this mid-year merit allocation was the simultaneous implementation of updated Department of Labor guidelines that were scheduled to go in effect December 1, 2016 which falls within the pay period beginning 11/20/2016. The guidelines mandated that all exempt staff be paid at a salary no less than \$913 per week or \$47,476 for an annual year appointment. Human Resources Management worked with the departments to identify staff who would be impacted. Some staff remained in exempt positions with the requisite increase to salary while other positions became nonexempt.

(continued)

11/18

TABLE 8-101 (concluded)
PERCENTAGE ANNUAL INCREASES
UNCLASSIFIED, SUPPORT STAFF, STUDENT SALARIES
AND OTHER OPERATING EXPENDITURES
FROM STATE APPROPRIATIONS AND TUITION ENHANCEMENTS
FISCAL YEAR 1968-2019
University of Kansas
Lawrence Campus

EXPLANATIONS FOR FOOTNOTES IN THE TABLE

⁶¹ (concluded)

On November 22, 2016, a U.S. District Court judge from Texas issued a preliminary injunction postponing the effective date of the U.S. Department of Labor's overtime rule. The judge issued the injunction in response to a legal challenge brought by a coalition of more than 50 business groups and 21 state attorneys general. As follow-up to the injunction, the university did not make any reductions to salaries that were increased to \$47,476 or more. However, a small number of staff who had been made non-exempt were returned to exempt status as of the pay period beginning 12/04/2016. Institutional leadership had previously determined that Postdoctoral Researchers would be increased to no less than the minimum and remain exempt. No reductions were made to the pay rates of this group as a result of the injunction.

⁶² The FY 2018 Tuition Proposal did not include a merit pool for salary increases. However, the 2017 Legislature enacted 2017 HB 2002 (Section 177) which includes these provisos for FY 2018: A state employee shall be eligible for a salary increase under this section based on only one of the following: (1) 5% salary increase, including associated employer contributions, for all state employees in the classified and unclassified service who have not received an increase in salary after July 1, 2012, and who have been continuously employed by the state since July 1, 2012; (2) 2.5% salary increase, including associated employer contributions, for all state employees in the classified and unclassified service who first became employed by the state after July 1, 2012. The University evaluated the start dates of all employees appointed to regular, benefits eligible positions to determine eligibility for the specified increase(s). A request was submitted to the State Finance Council and on June 30, 2017, the Council approved an increase of \$403,967 for the Operating Expenditures line-item (KU Fund 003) and \$8,198 for Kansas Geological Survey (KU Fund 033). For other funds, it will be necessary to reallocate within budgeted fund balances to enable the increases. The salary increases were implemented on July 2, 2017 for faculty and staff with fiscal year appointments and August 18, 2017 for faculty and staff with academic year appointments. Budgets in the academic areas were augmented in order to implement a minimum rate of \$15,500 for GTA half-time appointments for the 2017-18 academic year. This adjustment was in accordance with the revised Memorandum of Agreement for Graduate Teaching Assistants (GTAs) which has been effective since July 1, 2016.

⁶³ The 2018 Legislature provided additional appropriations totaling \$2,564,536 to various State General Fund line items. However, on May 29, 2018, the Provost's Office sent the following message to campus: *"Our campus must enact measures to cut our budget by 5.87 percent across the board (\$20 million.) This situation is the result of years of many long-term commitments and investments that each year exceeded our revenue, combined with institutional budgeting practices inconsistent with the current challenges of higher education funding and a decade-long trend of declines in state funding."* Because of timing, the FY 2019 printed budget does not include the modifications necessary to align expenditures within these constraints. Instead, the FY 2019 reduction targets will be achieved from one-time cash reductions in spending across the various areas of responsibility. It is anticipated that the FY 2020 working budget will reflect a more modest expenditure plan. The FY 2019 Tuition Proposal did not include a merit pool for salary increases. However, subsequent to publication of the working budget, the Memorandum of Agreement for Graduate Teaching Assistants was finalized. The new agreement provides for an increase in the minimum half-time equivalent salary of \$16,250 in FY 2019; \$17,000 in FY 2020; and \$17,750 in FY 2021. These amounts are not reflected in the working budget. The FY 2020 and FY 2021 budgets will include budget increases to reach the appropriate minimum.

TABLE 8-105
CONSUMER PRICE INDEX
FISCAL YEAR 1975-2018

<u>Fiscal Year</u>	<u>CPI</u> <u>(FY 1983 = 100)</u>	<u>Annual</u> <u>Percent Change</u>
1975	52.8	--
1976	56.5	7.1%
1977	59.8	5.8
1978	63.8	6.8
1979	69.8	9.3
1980	79.1	13.3
1981	88.2	11.6
1982	95.8	8.7
1983	100.0	4.3
1984	103.7	3.7
1985	107.7	3.9
1986	110.8	2.9
1987	113.3	2.2
1988	118.0	4.1
1989	123.5	4.7
1990	129.4	4.8
1991	136.4	5.4
1992	140.8	3.2
1993	145.2	3.1
1994	148.8	2.5
1995	153.2	3.0
1996	157.4	2.7
1997	161.9	2.9
1998	164.8	1.8
1999	167.6	1.7
2000	172.5	2.9
2001	178.4	3.4
2002	181.6	1.8
2003	185.5	2.2
2004	189.6	2.2
2005	195.3	3.0
2006	202.7	3.8
2007	208.0	2.6
2008	215.7	3.7
2009	218.7	1.4
2010	220.8	1.0
2011	225.3	2.0
2012	231.9	2.9
2013	235.7	1.7
2014	239.4	1.6
2015	241.1	0.7
2016	242.8	0.7
2017	247.2	1.8
2018	252.8	2.3

Source: 2018 Higher Education Price Index, "Table A - Historical Summary of Higher Education Price Index and Consumer Price Index," Commonfund Institute.

TABLE 8-201
HIGHER EDUCATION PRICE INDEX (HEPI)
ALL ITEMS
FISCAL YEAR 1983-2018

<u>Fiscal Year</u>	<u>HEPI</u> <u>FY 1983 = 100.0</u>	<u>Annual</u> <u>Percent Change</u>	<u>HEPI</u> <u>FY 2018 = 100.0</u>
1983	100.0	--	0.275
1984	104.8	4.8	0.288
1985	110.8	5.8	0.305
1986	116.3	5.0	0.320
1987	120.9	4.0	0.332
1988	126.2	4.4	0.347
1989	132.8	5.3	0.365
1990	140.8	6.0	0.387
1991	148.2	5.2	0.407
1992	153.5	3.6	0.422
1993	157.9	2.9	0.434
1994	163.3	3.4	0.449
1995	168.1	2.9	0.462
1996	173.0	2.9	0.476
1997	178.4	3.2	0.491
1998	184.7	3.5	0.508
1999	189.1	2.4	0.520
2000	196.9	4.1	0.541
2001 rev.	208.7	6.0	0.574
<u>Public Doctoral Institutions</u>			
2002	225.8	8.2	0.621
2003	238.0	5.4	0.654
2004	246.4	3.6	0.677
2005	257.1	4.3	0.707
2006	270.9	5.4	0.745
2007	279.9	3.3	0.770
2008	295.2	5.5	0.812
2009	302.1	2.3	0.831
2010	305.2	1.0	0.839
2011	311.9	2.2	0.858
2012	318.0	2.0	0.874
2013	325.5	2.4	0.895
2014	334.3	2.7	0.919
2015	340.7	1.9	0.937
2016	347.5 est.	2.0 est.	0.955
2017	354.7	2.1 est.	0.975
2018	363.7	2.5	1.000

Note: Beginning FY 2007 the Commonfund expanded its HEPI service to include calculations of HEPI for eight categories of educational institutions, with data adjusted back to FY 2002. The above table uses the Public Doctoral Institutions category. In FY 2016 AAUP changed its methodology affecting two of the main factors used by Commonfund to update HEPI. FY 2016 HEPI is based on estimated annual percent changes.

Source: *2018 Update, Higher Education Price Index*, "Table C - HEPI by Major Categories of Public and Private Educational Institutions," Commonfund Institute.

TABLE 8-300
MEAN EARNINGS OF WORKERS 18 YEARS AND OLDER
BY EDUCATIONAL ATTAINMENT
 1986-2017

<u>Earnings Year</u>	<u>High School Graduate</u>	<u>Bachelor's Degree</u>	<u>Master's Degree</u>	<u>Doctorate Degree</u>	<u>Advanced Degree</u>
1986	\$15,120	\$26,511			\$34,787
1987	15,939	26,919			35,968
1988	16,750	28,344			37,724
1989	17,594	30,736			41,019
1990	17,820	31,112			41,458
1991	18,261	31,323			46,039
1992	18,737	32,629			48,652
1993	19,422	35,121			55,789
1994	20,248	37,224			56,105
1995	21,431	36,980			56,667
1996	22,154	38,112			61,317
1997	22,895	40,478			63,229
<u>Earnings Year</u>	<u>High School Graduate</u>	<u>Bachelor's Degree</u>	<u>Master's Degree</u>	<u>Doctorate Degree</u>	<u>Professional Degree</u>
1998	\$23,594	\$43,782	\$52,794	\$74,712	\$ 95,488
1999	24,572	45,678	55,641	86,833	110,987
2000	25,692	49,595	61,172	80,994	104,325
2001	26,795	50,623	63,592	85,675	101,375
2002	27,280	51,194	60,445	89,734	112,845
2003	27,915	51,206	62,514	88,471	115,212
2004	29,595	52,790	67,219	94,956	115,921
2005	29,448	54,689	67,898	92,863	119,009
2006	31,071	56,788	70,358	103,944	116,514
2007	31,286	57,181	70,186	95,565	120,978
2008	31,283	58,613	70,856	99,697	125,019
2009	30,627	56,665	73,738	103,054	127,803
2010	31,003	57,621	71,439	106,840	125,891
2011	32,493	59,415	76,650	108,061	126,233
2012	32,630	60,159	75,008	113,971	139,682
2013	32,881	59,661	76,112	113,293	139,599
2014	34,099	62,466	76,044	102,389	136,669
2015	35,615	65,482	79,753	114,235	142,008
2016	36,702	67,267	82,531	125,586	134,719
2017	38,145	67,763	87,674	118,903	138,378

Source: U.S. Bureau of the Census web site, Detailed Income Tabulations from CPS-Person, Table PINC-04, "Educational Attainment-People 18 Years Old and Over, by Total Money Earnings, Total Work Experience," 1986-1997, 2005-2017; "Table 9-Earnings by Educational Attainment of the Workers 18 Years and Over," both sexes, all races, 1998-2004.