

(1) In accordance with the requirements of Board of Governors Regulation 1.001, each board of trustees shall establish a personnel program for all the employees of the institution. Regarding university teaching faculty and administrators, however, the personnel program must use the following definitions:

(a) University teaching faculty (herein after faculty) is defined as an employee that provides direct instruction, research, public service, student support, and administrative duties that may vary from semester to semester. Faculty includes any employee on a faculty pay plan as well as adjunct faculty on an Other Personal Services (OPS) pay plan. Faculty may provide direct instructional services to students or provide direct or indirect support in the instruction of students by establishing curriculum and other requirements involved in teaching students. Instructional services also include classroom activities, research laboratories, co-curricular activities or service activities in which students participate. These employees may be on a tenured/tenured-track line or under contract by the university in a faculty, academic personnel, or personnel support position. Therefore, faculty hold a variety of positions that include provosts, deans, professors, lecturers, librarians, distinguished professors, eminent scholars, curators, scholars, scientists, engineers, and clinicians.

(b) An administrator is defined as an employee who has managerial responsibilities for the operations of departments, teams, units, projects, or programs. Administrators do not have a faculty pay plan designation as determined by each institution.

(c) Each university is responsible for determining those categories of employees who should be designated as "exempt" or "nonexempt" under the federal Fair Labor Standards Act.

(2) The university's personnel program must contain the following restrictions for compensation for university presidents and university administrators:

(a) A president employed by a university board of trustees may not receive more than \$200,000 in remuneration from public funds. A university board of trustees (itself or through a component unit) is not prohibited from providing cash or cash-equivalent compensation from funds that are not public funds to a president in excess of the \$200,000 limit.

1. Remuneration includes salary, bonuses, and cash-equivalent compensation paid to a president by the university board of trustees for work performed, excluding health insurance and retirement benefits.

2. Public funds are defined as funds appropriated from general revenue, state trust funds, including the student and other fees trust fund, educational enhancement trust fund, phosphate research trust fund or any funds from a state university trust fund regardless of repository.

3. Cash-equivalent compensation means any benefit that may be assigned an equivalent cash value.

(b) A university employee may not receive more than \$250,000 in remuneration from public funds. A university board of trustees (itself or through a component unit) is not prohibited from providing cash or cash-equivalent compensation from funds that are not public funds to a university employee in excess of the \$250,000 limit.

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