**AGENCY:** College & Universities  
**FUNCTION:** University of Idaho  
**ACTIVITY:** Salary Competitiveness

**Supports institution/agency and Board strategic plans:**

Idaho State board of Education Goal 2, Objective B Quality Instruction

"Increase student performance through the development, recruitment and retention of a diverse and highly qualified workforce of faculty and staff."

**Performance Measure:**

Maintain or slightly improve our salary comparison relative to peer institutions (for faculty and exempt staff) and relative to regional markets for our classified staff.
Description:

Our Board-approved peer institutions are averaging 3% to 4% salary increases on an annual basis with the result that, even with state-approved CEC initiatives, we continue to fall further behind the average salaries being paid at these peer universities. Partially state-funded CEC measures have been less than peer average and have resulted in further tuition burden on our students. These peer salary increases cover both their faculty and staff positions.

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

   We are requesting state-funded sufficient to provide a full-state-funded 4% salary increase for all General Education faculty and staff. Cash funded programs and grants and contracts would provide their own funds to implement a corresponding 4% average increase in those non-General Education functions of the university.

2. What resources are necessary to implement this request? None

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumption(s) (e.g. anticipated grants, etc.).

   All requested funds are state General funds in order to avoid imposing additional tuition and fee increases on students in order to provide this necessary increase.

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

   This impacts all faculty and staff employed in the university General Education operating units.

5. If this is a high priority item, list reason why unapproved Line Items from the prior year budget request are not prioritized first.

   Our salary competitiveness is slipping so badly relative to peer institutions that we risk losing any opportunity to compete for comparably qualified faculty and staff in our efforts to bring a nationally competitive higher education to Idaho residents.

Attach supporting documentation sufficient enough to enable the Board, Division of Financial Management, and the Legislative Budget Office to make an informed decision.

Salary Competitiveness
The University of Idaho is in something of a “free fall” with respect to faculty and staff salaries. Faculty salaries were 92.3% of peer average in FY08; they dropped to 87.6% in FY2013 and for FY14 are now at 84.3%. Peer institutions are raising their salaries an average of 3-4% per year. With the 2% CEC for FY15 we will still lose ground against peer salaries by 1-2 percentage points and could, within the next two to three years, find our salaries in the high 70 percentiles compared to peer institutions around the west.

Similar issues face our staff salaries. A regional market survey conducted almost two years ago put our staff salaries at 85% of the regional market and we are certainly lower than that now. We are closer to 70% of market for key IT staff and we are losing our best staff to WSU and local businesses on a regular basis.

Although we are speaking here in terms of the University of Idaho, this is a statewide higher education issue. Our colleagues at Boise State, Idaho State and Lewis Clark State College are facing similar salary issues. The marketplace for faculty is a national marketplace – an individual receiving his or her Ph.D. from virtually any institution, is looking at a national job market for their faculty employment. If they can find similar employment, at a 20% to 30% improvement in salary compared to Idaho institutions, they will not be coming to Idaho. For established faculty who are building or have built successful careers in Idaho, there are comparable institutions across the nation that are actively seeking out the “best and brightest” to enhance their own educational and research initiatives.

All of this means that, for Idaho residents, their opportunity to receive their once-in-a-lifetime college education from the most effective and productive faculty is being diminished as we fail to attract or retain those individuals in Idaho institutions.

There is a similar impact for the state of Idaho with respect to our staff positions. This too is a national marketplace at the middle-manager to senior position levels. Institutions hiring for significant middle and higher management positions are almost always doing regional or national searches – and, once again, Idaho salaries are a barrier to finding the best, brightest and most effective of these individuals. Business has long recognized that paying the salary necessary to attract and retain the very best professionals, managers and staff often more than pays for itself in terms of creativity in problem solving and more efficient and effective ways to perform managerial functions. The impact of being way below market for these positions simply means that we will not be able to hire the skills and experience that we, as a state, need in order to be effective in the new education business functions of the 21st century. For example, an inability to retain key technical staff can affect our ability to effectively compete for non-resident students, who provide key financial support for our institutions, as our peers in surrounding western states out-recruit us for those very same students.

Salary competitiveness is a long-term issue – not readily corrected in one-year and easy to lose ground if there is not an annual effort to address the salary costs of the changing marketplace.