

*The College of Idaho Board of Trustees adopted the following resolution regarding VSTF-IIA on March 15, 2008*

**A Resolution  
March 15, 2008**

*Whereas*, The College of Idaho is Idaho's only liberal arts college and as such fulfills a unique and important role in our region, and

*Whereas*, what makes The College of Idaho such an incredible place is its outstanding faculty and staff, and

*Whereas*, faculty and staff demonstrated great loyalty, worked tirelessly with administration and trustees and sacrificed both salary and benefits during our recent financial challenges, and

*Whereas*, the entire college community-faculty, staff, students, alumni, and the Board of Trustees-acknowledges the importance of working together collaboratively and openly in fundraising and other activities to sustain and enrich the future of this institution;

The Board of Trustees resolves to make all best efforts to bring faculty and staff compensation in line with the appropriate peer group in a time period consistent with continuing sustainability of this great institution.

**Report of VSTF-IIA Recommendations**

Background and Process

On December 12, 2007, President Bob Hoover, Vice President for Academic Affairs Mark Smith and Chief Financial Officer Chris Anton met with the Faculty Executive Council, the Faculty Budget Committee, Dean of Student Affairs Paul Bennion, Controller Andrea Dubois and Staff Association President Sara Matson, appointing this group as the core of a task force (with additional members to be added) to form budgetary and strategic plan recommendations to the College's Board of Trustees for the coming year, for three-year planning and for ten-year planning; it would function as the College Budget Committee this year. This group was designated Vision and Strategy Task Force IIA (VSTF-IIA) for two key reasons: 1) to place it in the broad, collaborative, cooperative framework of VSTF-I (which shaped the key responses to the earlier budget crisis of Academic Year 2003) and VSTF-II (which shaped the College's direction in response to the initial grant from the Albertson Foundation); 2) to indicate that this was not a totally new process, but a modification within the general parameters of VSTF-II for dealing with the new financial situation which resulted from the generous, substantial gift of the Albertson Foundation, *in lieu* of its rolling three-year commitment of \$5 million annually to the College. It was indicated that although no Board of Trustees member would be on the task force because of scheduling reasons, the President would be meeting with the Board leadership on a weekly basis and would keep them informed and involved.

During the Winter Session 2008 the group met each of the six weeks, normally for two hours per meeting, including on the afternoon the campus was officially closed because of bad weather. The following individuals were involved in the VSTF-IIA group for at least some of the meetings; most were present for all or nearly all: Terry Mazurak, Denny Clark, Diane Raptosh, Lynda Danielson, Lynn Webster, Rob Dayley, Dennis Cartwright, Mike Hartwell, Dave Perkins, Jim Dull, Andrea DuBois, Sara Matson, Jen Nelson, Bev Robinson, Bob Hoover, Mark Smith, Chris Anton, Paul Bennion, John Klockentager, Marty Holly, and Lori Tollman (recording secretary).

The process included the following:

- a. Reviewed the Initial Assessment of the VSTF-II strategies and progress
- b. Examined VSTF-II outcome data, comparing C of I with public institutions and private colleges and universities, and with respect to tuition and endowments
- c. Examined four 10-year models provided by Chris Anton, with the goal of finding an approach that reduces our dependence on distributions from the Albertson Foundation gift and that is achievable from an operational perspective
- d. After examining relevant data, made a series of recommendations dealing with institutional assumptions impacting the direction of The College of Idaho (e.g., student profile, student:faculty ratio, tuition increases, financial aid strategies, Heritage Scholars, ultimate enrollment, comparison institutions)
- e. Examined and endorsed the fundraising campaign priorities proposed by President Hoover
- f. Examined various budget models (one year and ten year) to address the compensation disparities of faculty and staff with those in comparable institutions in the Intermountain West, and proposed a model for moving toward parity
- g. Prioritized and trimmed the various proposals for incremental budget increases

#### Recommendations and Rationale:

- A. Institutional assumptions and strategies:
 

VSTF-IIA recommends the adoption of the following for the College's financial and programmatic planning:

  1. Financial aid:
 

Increase merit financial aid in Ability Levels 2 and 3 to increase conversion, reduce aid to the lower group in Ability Levels 4 and 5, and increase international students who are appropriately qualified, especially Davis Scholars.

*Rationale:* To increase net tuition, while retaining ACT target levels (27/21)
  2. Recruit 15 Heritage Scholars each year
 

*Rationale:* They help us attain our ACT target levels; they contribute significantly to the campus; they are less likely to come without this full-tuition scholarship; limiting the group to this number keeps it an "elite," distinctive group.
  3. Increase tuition 7-8% per year
 

*Rationale:* To move us closer into line with comparison institutions' tuition, and to increase net tuition; this rate of tuition increase is slightly higher than that of our comparison institutions.
  4. Use the U.S. News & World Report #86-126 group as our aspirational comparison group, but with salary comparisons being made to schools from that group that are from regions with a comparable cost of living to our area.
 

*Rationale:* This group provides us with an appropriate "stretch" toward the kind of institution we wish to become, while providing a more realistic aspirational compensation comparison
  5. Grow to an ultimate enrollment of 1050
 

*Rationale:* Our present infrastructure (with the planned renovations and improvements already planned) would be able to handle this, and it would provide the most efficient use of our facilities, i.e., using revenue from more students to pay for basically the same facilities. We seek to retain quality, intimacy and energy.

6. Maintain a 13:1 or 14:1 student:faculty ratio, insofar as that is possible, but do not adhere rigidly to that

*Rationale:* Although preserving a relatively low student:faculty ratio is valuable in preserving the sense of intimacy and close student-faculty relationships, class size is a more important consideration – maintaining no more than 20 students per course for at least 75% of the courses, focusing on curricular “bottlenecks,” and avoiding really small classes (<10 students) where feasible.

B. Fundraising priorities:

VSTF-IIA endorses President Hoover’s proposal that increasing the Endowment should be the highest priority in the first five years of the financial campaign, with the delay of funds for facilities (with the exception of Boone and Jewett) as long as possible.

*Rationale:* Building the Endowment is what makes all other things possible; it is the key to financial stability, resulting in decreased direct dependence on the principle of the most recent gift from the Albertson Foundation. A focus on fundraising for facilities – although in some ways an “easier” approach – diverts attention and energy away from that which is most important for financial stability.

C. Strategy for attaining compensation parity with comparison institutions:

1. VSTF-IIA strongly recommends that the Board of Trustees commit to bringing faculty and staff compensation to parity with our Intermountain West comparison institutions within ten years as a top institutional priority.
2. VSTF-IIA strongly recommends that the FY 2009 Budget include a 6% increase in faculty salaries and a 4% increase in staff salaries. (These figures represent changes in the budgeted “pools” of funds for salaries, not across-the-board salary increases by these percentages for individual faculty or staff members.)

*Rationale:*

- a. In order to close the approximately 20% gap that College of Idaho faculty salaries are behind their comparison institutions in the Intermountain West within ten years, the gap needs to be closed an average of 2% per year. Faculty salaries in Intermountain West institutions have rather consistently increased about 4% per year. Thus, in order to attain faculty compensation parity within ten years, faculty salaries would need to increase an average of approximately 6% per year for a ten-year period.
- b. College of Idaho staff salaries are behind those of their peers in the Intermountain West (as per CUPA), though less so than faculty salaries are. In order to begin closing the gap, it is at least necessary that staff salaries be increased more than the rate of inflation. A 4% salary increase is a step in the right direction.
- c. During the College’s most recent financial crisis, faculty and staff voluntarily bore the greatest direct impact – through reduced salaries and reduced benefits, including the elimination of the College’s institutional matches to retirement funds, which continues to have a negative impact, particularly for those who are nearing retirement. Increased duties, including custodial tasks, were carried out by faculty and staff during that period.

As a result of the original challenge grant from the Albertson Foundation, the College was able to reinstate benefits and the retirement plan match, increase compensation and provide bonuses. This indeed was greatly appreciated, BUT (with respect to the faculty) this made it possible for them

to “move up” to being “only” 20% behind the compensation received by peers in comparable institutions in the Intermountain West. The fundamental market compensation gap remained uncorrected. As faculty and staff continue to fall further behind their peers in comparable institutions, it is exceedingly difficult for them not to feel underappreciated.

- d. Faculty and staff are presently facing a major crisis in morale. They have repeatedly seen their needs and well-being pushed to the bottom of the College’s priorities. That cannot continue without negative consequences for the College, its educational climate and its students.
  - e. The past relatively low priority of faculty and staff compensation has resulted in the College backing itself into a situation in which it is increasingly difficult both to attract and to retain the desired quality of faculty and staff, which impacts every aspect of campus life. This has negative consequences on the institutional aspirations of The College of Idaho previously set forth by VSTF-II.
  - f. The new competition of the College of Western Idaho impacts both faculty and staff. The College of Idaho cannot expect continued loyalty from faculty and staff when that loyalty is persistently, consistently not rewarded. Basic family economics and family responsibilities are increasingly at odds with institutional loyalty.
  - g. A move toward “looking like a Top 100” institution, mandated by the Board’s adoption of VSTF-II, carries the obligation to compensate faculty and staff accordingly. Above, VSTF-IIA has proposed modifying the College’s aspirational group, looking to the #86-126 grouping – and further modifying that, for compensation purposes, to the institutions within that group that are from areas with similar costs of living to Idaho. The compensation proposal presented here, though, is not even looking at that group; we first need to reach parity with salaries at institutions in the Intermountain West, which are considerably below those of our aspirational group.
  - h. Division meetings of the faculty had earlier considered various models for attaining compensation parity with Intermountain West institutions within ten years, and had all recommended “front-loading” the salary increases in that ten-year period, largely because of the ongoing negative impact of the elimination of retirement matches during the “crisis years.” The VSTF-IIA recommendation, by proposing for FY 2009 the average percentage increase needed to achieve parity within ten years, recognizes the extremely high priority of compensation issues among faculty and staff, yet seeks to balance that responsibly with the need to limit the draw on the Albertson Foundation gift.
  - i. VSTF-IIA recognizes the institutional financial flexibility that the use of “bonuses,” rather than salary increases, has provided in attempting to improve the compensation of faculty and staff. It notes, however, that this approach continues to ignore the more fundamental compensation issues.
- D. Incremental budget increase requests
- VSTF-IIA examined nearly \$2,000,000 of incremental budget increase requests – most of which were desirable and worthwhile. However, VSTF-IIA has thus far reduced that to \$300,000 – matching the “place-holder” amount in the draft budget. It will propose further reductions, once the other budget reduction proposals by President Hoover have been received, in order to attain a workable budget which fits the budgetary parameters established by the Board of Trustees.

VSTF-IIA is committed to working with the Board of Trustees in forming a budget for FY 2009 that exercises careful, responsible stewardship of the substantial gift received from the Albertson Foundation, that supports the mission of The College of Idaho, and that expresses and values the collaborative cooperation that makes this institution so special. It also encourages the continued use of a collaborative format in shaping three-year and ten-year strategic plans for The College.