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To: Chairmen Cook and Bundy, and other esteemed members of the Joint Change in Employee Compensation (CEC) Committee

From: President Scott Green 

Date: January 3, 2024

Subject: Testimony about CEC impact

Thank you for the opportunity to provide written testimony to your committee. We appreciate your service and dedication to the State of Idaho.

Insufficient funding for Change in Employee Compensation (CEC) significantly impacts the financial health of higher education in Idaho. At the University of Idaho (U of I), CEC funding comes from a multitude of sources, including state general fund, tuition, non-appropriated funds and the reallocation of existing resources. Less than a third of CEC is funded by state appropriations. Below is a summary of the funding sources used at the U of I for the most recent CEC cycle – amounts include both salaries and benefits:

	General Education	Other Funds	Total	% of Total
State General Fund	\$2,577,400	-	\$2,577,400	30.3%
Tuition	1,161,829	-	1,161,829	13.7%
Unit *	795,670	2,307,990	3,103,660	36.5%
Non-Appropriated	-	1,658,454	1,658,454	19.5%
	\$4,534,898	\$3,966,444	\$8,501,342	100.0%

* Unit funding: reallocation of existing resources or increased revenue (in non-appropriated funds)

Historically the legislature appropriated CEC for tuition lines after tuition was introduced. This practice was eliminated by the legislature in 2010 through budget cuts in response to the great recession. Since then, in only one year, was CEC appropriated for tuition lines. **The University uses tuition and other fund types when the CEC fund shift has not been funded, leading to tuition increases.**

A fund shift is the budget for CEC adjustments for state employee positions. Without a fund shift, state appropriations do not fund full raises for employees. In 2023, the university spent \$1,161,829 to make up for the unfunded CEC fund shift.

We are honored to be Idaho's land-grant university and to be recognized by U.S. News and World Report as the Best Value of any Public University in the West. We're responsible stewards of our funding, and we've made wise investments in our future. A 2023 *Wall Street Journal* article last year documented rampant expenditures at land grant universities across the country. The lone exception – your University of Idaho. Quoting the article:

“At the median flagship university, spending rose 38% between 2002 and 2022. Only one school in the Journal’s analysis – the University of Idaho – spent less.”

We are not a university that spends money frivolously. We carefully steward our resources, but without the fund shift, we struggle to create affordable pathways for Idaho citizens to elevate themselves and our state through education. I urge the CEC committee to consider fully funding the fund shift to ensure that we and all Idaho institutions have the resources needed to serve Idaho students and our state.