



Faculty Senate

227 Wyoming Hall • Dept. 3961 • 1000 E. University Ave. • Laramie, WY 82071
phone (307) 766-5348 • fax (307) 766-5347 • e-mail facultys@uwyo.edu • www.uwyo.edu/facultysenate

TO: University of Wyoming Board of Trustees

FROM: Warrie J. Means, University of Wyoming Faculty Senate Chair

RE: Tuition Increase for Salaries

DATE: March 22, 2012

Salaries, considering all employee groups, at the University of Wyoming are less than 91% of the average of appropriate comparators. The University of Wyoming Mission Statement¹ begins with the following sentence: *“The University of Wyoming aspires to be one of the nation’s finest public land-grant research universities.”* The Creation of the Future: University Plan 3 2009-2014² (“UP3”) identifies the need to build excellence in human capital – the faculty, staff and administration of the institution. To that end Action Item 65 (p. 26) identifies the institution’s compensation goals: *“Faculty salaries at or above the fiftieth percentile of those prevailing at public research universities.”* Since data are not usually available to define salary percentiles, Recommendation 2 of the 2011 UW Faculty Salaries³ report states *“The University of Wyoming should redefine the salary benchmark used in UP3 from a percentile to a percent of market. The new benchmark should be no less than the market average given UW’s aspirations and mission.”* Clearly, the administration and the Board of Trustees understand the importance of competitive salaries to the long-term health of the institution. According to 2011 UW Faculty Salaries report³, UW faculty salaries lag significantly behind those of peer institutions.

The 2013-2014 Biennial Budget Requests approved by the UW Board of Trustees included \$9.37 million for the biennium to allow UW employees’ average salaries to catch up to 91 percent of market average. In addition, the University sought \$10.78 million more for the biennium to raise average salaries to 95 percent of the 2011 market place average for all employee groups. Salary increases were the institution’s number one priority in the 2013-2014 Biennial Budget Requests, further evidence that the UW administration and the Board of Trustees understand the importance of competitive salaries to the long-term health of the institution. However, due to the effect of lower natural gas prices on Wyoming’s revenue stream salary increases were not included in UW’s Agency 067 or “Block Grant” funds.

The University of Wyoming has the capacity to increase revenue from the UW Income Fund by raising tuition. Since UW employee salaries are the institution’s top priority, I propose that the UW Board of Trustees consider using monies generated by increased tuition to raise salaries to levels more competitive in the marketplace. Table 1 shows the approximate increase in tuition necessary to bring UW salaries to 91%, 95%, and 100% of 2011 market place average for all employee groups. These tuition increases may seem quite large until one considers the unique financial environment surrounding our institution. Two factors are of primary importance. First, UW tuition is very low when judged against regional comparators, even lower when judged against comparators nationwide. Table 2 compares UW tuition scenarios to tuition at regional comparator institutions. Second, the Wyoming Hathaway Scholarship Program⁴ provides very significant financial assistance to Wyoming high school graduates who are prepared for a college curriculum.

Table 1. Approximate increase in undergraduate resident *tuition only* necessary to bring UW salaries to 91%, 95%, and 100% of 2011 market place average for all employee groups. ^a

Percent of market average	Estimated total amount needed, \$/year	Estimated one-time tuition increase, %	Estimated tuition increase if split into two years of biennium, %	Estimated tuition cost per credit hour if split (after first year), \$	Estimated total tuition cost per credit hour (not split or after 2 years), \$
current	0	0	0	104	104
91	3,726,165	7.5	3.7	108	112
95	10,076,000	20.2	10.1	114	125
100	18,013,294	36.0	18.0	123	141

^a Assumes tuition generates \$50M/year and that all tuition is generated at the undergraduate resident rate.

Table 2. Comparison of undergraduate resident UW tuition & fees scenarios to current undergraduate resident tuition & fees rates at regional comparator institutions.

Institution	Current undergraduate resident tuition/fees rate, \$/credit hour ^a	Percent of UW tuition & fees rate - bringing salaries to percent of average market salary of comparators indicated			
		Current	91%	95%	100%
UW	\$138				
CSU	\$268	194%	174%	149%	126%
Utah SU	\$185	134%	120%	103%	87%
U Idaho	\$195	141%	127%	108%	92%
MSU	\$224	162%	145%	124%	105%
SDSU ^b	\$267	193%	173%	148%	125%
UNL	\$255	185%	166%	142%	120%

^a Rate at 15 credits per semester, fees included. Sourced from institution web sites.

^b Estimate, varies by year in college and by major.

In accordance with the laws of the State of Wyoming, the government of the University of Wyoming is vested in the Board of Trustees. I urge the UW Board of Trustees to consider the use of dollars generated by future tuition increases for an improved salary profile, one more competitive with comparator institutions. The health of this institution depends on it.

Thank you in advance for your serious consideration.

¹ <http://www.uwyo.edu/president/mission-statement/index.html>

² <http://www.uwyo.edu/acadaffairs/files/docs/up3.pdf>

³ <http://www.uwyo.edu/facultysenate/files/docs/2011-12/report-of-the-faculty-senate-budget-committee-2.pdf>

⁴ <http://www.uwyo.edu/admissions/scholarships/hathaway/>