ASU Arizona State University

Although the universities are proactive in retention efforts and bringing new faculty into the institutions, the actions taken also create some negative consequences, such as the reallocation of limited resources for salaries and relying more on part-time faculty and instructional faculty who are not tenured/tenure-track to meet the growth in student population.

A major problem that results from having limited salary dollars when hiring new employees (who often command more competitive rates), is properly addressing salary equity (both in terms of salary compression and salary inversion) in order to retain key faculty.

Average staff salaries continue to lag market rates. Annual market movement has averaged around 3.0% the past few years, and is expected to continue at the range into 2017.

Employees enrolled in the Arizona State Retirement System have seen their employee contribution rates increase nearly six-fold over the years, from 2% in FY 2003 to 11.34% in FY 2017. These employee contribution rate increases amount to real reductions to an employee’s net pay. The additional costs to fully fund the ASRS continue to erode gains made in salaries.

Although Inflation has remained relatively low, averaging less than 2.0 percent since 2010, the effects of inflation erode the real value of an employee's salary. Each time prices increase, an employee's wage loses some of its value. This coupled with increases in the ASRS contribution rate, further reduces from the competitiveness of salaries offered to staff employees at Arizona's public universities.

The following table reflects the percentage increases required for average staff salaries to reach market at each university and the ABOR office.

	FY17	FY18
ASU	27.6%	11.6%
NAU	20.0%	21.4%
UA	24.5%	26.8%
ABOR	2.4%	3.2%

	FY17	FY18
ASU	24.5%	15.2%
NAU		

Each time a staff member leaves, the universities are faced with the advertising, interviewing, and training costs associated with hiring a new employee. The cost of turnover is generally estimated at one to two times the salary of a departing employee. When a position is left unfilled, it puts additional stresses on existing employees, already asked to do more as a result of increased demands and fewer personnel resources, and often at lower than competitive salaries. This cycle can exacerbate turnover and the universities'

When staff turnover increases, losing the human resources that are essential to the operation and success of the institutions creates reductions in productivity, the potential for diminished services, and stalls important institutional initiatives.