

In the late 1990s, South Dakota’s public universities were finding it increasingly difficult to attract and retain quality employees. Salaries in other states, including the surrounding states, were higher than those in South Dakota. Effective with Fiscal Year 1999 salaries, the South Dakota Board of Regents implemented a Salary Competitiveness Program for faculty and other exempt employees. The goal was to offer salaries that were more competitive with those in the region.

In Fiscal Year 1998, salaries in the Board of Regents’ system lagged the average of surrounding states by 16.6 percent. By implementing the Salary Competitiveness Program, the regents were able to increase faculty salaries at a higher rate than state salary policy. As a result of this effort, by Fiscal Year 2006 salaries in the regents’ system on average are only 5.98 percent below the regional market for the same rank and discipline. Without the Salary Competitiveness Program, South Dakota salaries today would lag about 26 percent below the regional average.

The Board of Regents has funded this program with limited state resources. At the beginning of the Salary Competitiveness Program, the legislature allowed the regents to keep \$1.6 million in formula resources that would have been lost due to reduced enrollments and also provided a small amount of pesticide fee revenues. The regents raised about 89 percent of the salary resources with FTE reductions, student fee increases, reallocation of existing tuition revenue, federal grant recovery, and user fees.

The additional salary resources generated by this program are distributed based on individual employee performance, market conditions (salary relative to market for the position), and institutional priorities. The Salary Competitiveness Program is well received by faculty, other exempt employees, and students, and has helped the universities attract candidates for open positions. Ju

South Dakota Regental Salaries Compared to Market Positions Same Rank and Discipline: Surrounding States

