ARIZONA BOARD OF REGENTS
POLICY MANUAL

6-901 Salary Increases

Revision Dates

11/19/2026, 11/20/2025, 9/27/2018, 12/6/2007, 3/21/2002, 1/11/1996, 12/4/1987, 3/23/1984, 12/2/1983 (adopted)

ARTICLE I. GENERAL

A. General Policy

Each of the Arizona universities shall establish and maintain a system of compensation which encourages and promotes excellence in employee performance. To this end, the universities shall provide for rewarding employees in recognition of satisfactory and above-satisfactory performance and provide for a process by which other salary increase considerations are resolved. Universities shall divide and distribute salary increases under guidelines applicable to two categories: (1) salary adjustment funds; and (2) performance funds.

B. Salary Adjustment Funds

To maintain an effective compensation plan on each of the campuses, the universities shall continually assess the need for these increases. Such increases may include: (1) market, (2) equity, (3) promotion, and (4) reclassification. Each university shall determine the amount of adjustment funds needed each year for its employees.

C. Performance Funds

Performance increases shall be distributed based on an assessment of employee performance. University-approved formal performance pay plans shall provide the documentation for performance awards.

D. Procedures for Legislative Appropriations Related to Salary

Funds appropriated to each university for cost-of-living salary increase purposes shall be allocated to all university employees, including graduate students. If funds are appropriated for merit increases, then each university shall submit to the Board of Regents a merit pay plan for Board approval.

E. Compensation Report/Salary Adjustment Report

Each year the president of each university shall submit a compensation report to the Arizona Board of Regents upon request. The report shall include such information as requested by the board.

F. Performance Based Incentives

Each university and the board office may establish procedures to develop and administer a performance based incentive program to promote efficiency and effectiveness subject to the following:

1. Incentives shall clearly relate to a measurable standard of performance which must be achieved.

2. Incentives shall result in cost reductions, improved service quality, or improved productivity.

3. No performance-based incentive increase in compensation for future services shall exceed the amount permitted by A.R.S. §38-618(F) or other applicable provision of Arizona law. The increase in compensation for future services may not be added to an employee's base pay.

4. Sources of funds may be from up to 80 percent of salary savings, other monies appropriated from the state general fund, or other sources.

University procedures for awarding increases in compensation for future services shall be submitted to the executive director of the board for presentation to the incentives program oversight review committee for review and recommendation.

This policy shall not prevent a university or the board office from establishing other performance based incentive programs that provide for other means of recognizing and rewarding exemplary performance in addition to increases in compensation for future services. These may include one-time incentive or recognition awards based upon previously established criteria for measuring performance.

Policy History

12/2/1983 Approved by the Board on second reading.

3/23/1984 Policy revision approved by the Board on second reading.

12/4/1987 Policy revision approved by the Board on second reading.

1/11/1996 Policy revision approved by the Board on second reading.

3/21/2002 Policy revision approved by the Board on second reading.

12/6/2007 Policy revision approved by the Board on second reading.

9/27/2018 Policy revised to reflect “Executive Director” of the Board in place of “President.”

11/20/2025 Policy revision approved by the Board on second reading.

11/19/2026 Policy revision approved by the Board on second reading.

Related Information