



COMPENSATION

Employee compensation (salaries and benefits) is critical to the university’s efforts to recruit and retain faculty and staff.

Compensation is funded primarily through tuition, fees, and state appropriations in the operating budgets. Increases in tuition and fee revenue and state appropriations are a significant factor in determining compensation increases.

Average CPI inflation over the past ten years is 3%. Over the same period, the university has provided across-the-board pay increases averaging 2.3%.¹

CALENDAR YEAR	INFLATION	FISCAL YEAR	ATB PAY INCREASE
2015	0.7%	FY2017	2%
2016	2.1%	FY2018	None
2017	2.1%	FY2019	1% plus \$600
2018	1.9%	FY2020	1.9%
2019	2.3%	FY2021	\$600
2020	1.4%	FY2022	3%
2021	7%	FY2023	4%
2022	6.5%	FY2024	5%
2023	3.4%	FY2025	3%
2024	2.9%	FY2026	\$600
10-YEAR AVERAGE	3%	10-YEAR AVERAGE	2.3%
2025	2.7%	FY2027	TBD

The university has also experienced significant expense increases during the past ten years.

Examples include:

- MSU’s required **MOSERS** contribution increased by \$17.8 million (contribution rate went from 16.97% of payroll in FY2016 to 28.75% in FY2025—a **69% increase**). FY2026 contribution rate increases to 30.25% and FY2027 to 32%.
- **Health care costs** funded by the university increased by more than \$13.7 million (\$18.4 million in FY2016 to \$32.1 million in FY2025—a **74% increase**).

¹ In three years, MSU provided \$600 across-the-board pay increases. These raises are included in the 2.3% average calculation based upon the university median budgeted salary.