Compensation Task Force reviews pay adjustments

Last year, members of the Legislature expressed concern about the way the university addresses staff salary increases. This caused the university to alter its long-standing practice of seeking funding for annual step increases for UA staff. The Legislature’s objection in large part was based on the fact that step increases for State of Alaska employees are funded internally, rather than being included in the state’s annual budget request. University Regulations had provided that step increases would occur on the anniversary of an employee’s date of hire, so the regulation itself was modified in keeping with the new, across-the-board approach.

University officials then created the Compensation Task Force to review and recommend appropriate changes to compensation practice and regulations for future years. The group first met in July 2008 and included representatives from governance, administrative management and human resources throughout the UA system. The group was tasked to review the current grid and step structure and to make recommendations for a possible new salary structure or salary adjustment mechanism. The group was asked to consider a solution that would not only meet the interests of UA employees and administration, but also be palatable to the Legislature during the budget process. The task force established criteria including employee salary progression that would avoid what’s known as “pay compression,” where new hires come in at the same rate as longer-term employees, resulting in a clustering of salaries at the bottom range.

The UA Business Council advised that any proposed structure or methodology for making wage adjustments should be cost-neutral when compared with the previous format involving grid adjustment plus annual steps.

The task force has held regular meetings since it was formed. Members now have prepared a set of draft recommendations for review and additional input. A list of task force members and the draft recommendations will be posted on the Classification/Compensation section of the Statewide Office of Human Resources webpage next week. Once finalized, the recommendations will be submitted to Statewide Human Resources. After that, the Human Resources Council, Business Council and others in the UA administration will review the proposal. If the university develops a proposal for changes to Board of Regents’ Policies regarding staff compensation, draft language will be submitted for discussion as a part of the board’s agenda at a future Board of Regents’ meeting.

Questions about the task force and the draft recommendations may be directed to Jeannine Senechal (j9@alaska.edu; 450-8210) or Will Daniels (will.daniels@alaska.edu; 450-8220) in the Compensation Office at Statewide Human Resources.