Dec. 10, 2009

To: All University of Alaska Staff

From: Mark Hamilton
President

Re: Union organizing campaigns for UA staff

Many of you have received a mailing from the Alaska State Employees Association (ASEA) regarding staff compensation and health benefits. I thought you would like additional information.

The university altered its approach to staff compensation in response to budgetary concerns during the 2008 legislative session. That’s when Legislators, largely for political reasons, declined to fund annual step increases in favor of an across-the-board adjustment, as is their practice for state employees. The university, rightly concerned that staff would receive no increase if we didn’t respond to legislative concerns, agreed to switch to a single increment.

We also formed a Compensation Task Force to analyze the compensation and budgeting dilemma. That task force included representatives from governance, management and human resources throughout the UA system. After careful consideration, the task force recommended changes to the UA salary schedule (grid). For more background on the task force recommendations and subsequent changes, go to www.alaska.edu/hr/classification and click on “Compensation Information.”

In addition to grid changes, I’ve also supported a proposed 3 percent increase for staff in FY11, along with the chancellors and Board of Regents, because I believe it’s reasonable and defensible in this budget climate. This proposed increase is well within the range of what we’ve seen in the recent past and surpasses the current Consumer Price Index. For a history of increases dating back to FY 2000, click here: http://www.alaska.edu/classification/compensation-information/Salary-Increases.pdf.

The ASEA mailing stated that health care changes and changes to staff compensation will result in decreased take-home pay for staff “as soon as January 1, 2010.” This is false. As we’ve communicated to you before through memos, articles in the Statewide Voice, campus newsletters and through ongoing meetings with governance groups, proposed changes to the staff salary schedule (grid) will go into effect July 1, 2010. Most employees will see no change; some will see their hourly wage increase slightly. No employee will see a decrease due to the grid structure change.

The proposed 3 percent staff increase for FY11, if approved by the Legislature, would go into effect the first pay period after July 1, 2010. Employee charges for health coverage did go up for some employees in this year (FY10). What will happen in FY11 has not been determined but certainly no changes will go into effect Jan. 1, 2010. Such statements to the contrary show a lack of familiarity with UA and how we do things.
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UA has a Joint Health Care Committee made up of non-represented staff, management and union representatives. We also have a Staff Health Care Committee made up of governance representatives from across the university system. These committees are well-educated on our health plan and its costs. The groups meet monthly to review issues related to UA’s health, pharmacy and wellness programs. JHCC and SHCC make recommendations on numerous aspects, including plan design issues and the setting of employee charges in March. Following the March review and recommendation of employee charges, employees are allowed to make changes to their UA Choice Health Care Plan during Open Enrollment in April. At that time, employees are given the facts about any changes to the health plan, including new employee charges, and employees are provided the opportunity to switch levels of coverage if desired.

Let me state this clearly: no changes in employee health charges or compensation will occur in January. Should changes to the health plan be necessary, you will be the first to know in March. And you’ll have the option to revise your plan choices during Open Enrollment in April. All changes to employee charges go into effect July 1, 2010, and you’ll be made aware of the facts several months in advance.

UA as an employer, currently picks up 83 percent of your health care plan costs, with the remaining 17 percent the employees’ obligation. In the past, UA picked up a larger-than-intended percentage and, for a few years, over-projected the amount by which our plan costs would increase. Amounts that were over-recovered during earlier years have been used to smooth increases in employee charges for the last several years. Without this prudent management and aggressive negotiations with vendors for better rates, employees would have seen their charges increase at alarming rates. The university has been moving toward the standard of an 80-20 percent split of health-care charges, a goal that is reasonable, sustainable and has been shared publicly for some time.

Regarding the proposed 3 percent increase for staff; UA will monitor that request closely as the budget process matures in the Legislature this year. The budget situation early in the legislative session is always quite fluid, but we’ll communicate solid information when we believe it’s prudent to do so.

Now, back to the ASEA mailing. From time to time, different unions have sought to organize UA staff. The last effort was in 2001. The only time an organizing effort went to a vote was in 1998, when it was defeated, 438-262. If this latest attempt by ASEA results in a vote, I encourage all employees to exercise their rights and make sure they vote. The decision will be made by the majority of employees who vote. Employees who don’t will have to abide by the wishes of those who do.

It’s appropriate for employees to explore how their interests are best served. I believe the best decisions are made by well-informed people. I encourage you to ask questions of the university and union alike. Make sure you have the information you need. A list of Frequently Asked Questions is available at: http://www.alaska.edu/labor/pdf/12.09.09_Union_Organizing_FAQ.pdf.