

ARTICLE 7

Salaries and Benefits

7.1 Salaries

- A. All Faculty Members shall be paid at least the minimum rate for their rank, as provided below. In the year of promotion in rank, a Faculty Member shall receive a ten percent (10%) increase in current base salary, in addition to all other base salary adjustments. The increase in base salary shall be effective the first full pay period after July 1, following the Faculty Member's promotion.

	Minimum/Year
Instructor	\$32,000
Assistant	\$36,000
Associate	\$43,500
Professor	\$50,000

- B. The initial rank, type of appointment, and base academic year salary shall be established by the appropriate hiring authority. Rank, appointment, and salary shall be based on the needs of the institution, the Faculty Member's education and experience, and prevailing market conditions as provided in University Policy.
- C. Effective with the first full pay period after this contract is ratified by the membership and approved by the Board of Regents, the university shall distribute a three and one-tenths percent (3.1%) salary increase across-the-board, retroactive to July 1, 2007, to eligible Faculty Members. Effective with the first full pay period after July 1, 2008, the University shall distribute a three and four-tenths percent (3.4%) salary increase across-the-board to eligible Faculty Members. Effective with the first full pay period after July 1, 2009, the University shall distribute a three and five-tenths percent (3.5%) salary increase across-the-board to eligible Faculty Members. If this Agreement is extended beyond June 30, 2010, in accordance with Article 1.1 C, effective with the first full pay period after July 1 of succeeding years of this Agreement the university shall distribute a three and five tenths percent (3.5%) salary increase across the board to eligible faculty members. If, however, either party indicates its intent to open this Agreement for negotiation, the salary increases provided above will not continue and there will be no salary increases during the negotiation of a new Agreement.
- D. Workforce Development Stipend: Faculty Members on contract in the Spring of 2008 whose contracts are renewed the following Academic Year will receive an

eight hundred dollar (\$800) stipend in addition to their regular compensation in the first pay period after September 15, 2008. This is a one-time, non-recurring payment.

E. . Market/Compression:

The University shall provide 1.5% for salary increases for market and/or compression adjustments during the 2007-2008. Academic Year, 1.5% for salary increases for market and/or compression adjustments during the 2008-2009 Academic Year and 1.5% for salary increases for market and/or compression adjustments during the 2009-2010 Academic Year. Annual market/compression adjustment computations shall be finalized by June 1 of each year.

In Academic Year 2007-2008, the remainder of market/compression funds, if any, shall be distributed, as across-the-board increases to all Faculty Members, retroactive to the first pay period in Academic Year 2007-2008. For Academic Year 2008-2009 and Academic Year 2009-2010, the remainder of market/compression funds, if any, shall be distributed as across-the-board increases to all Faculty Members in the same payroll period in which market/compression distributions are made.

The Academic Year 2007-2008 market/compression distribution will be made in the first full pay period after this contract is ratified by membership and approved by the Board of Regents, retroactive to the Faculty Member's first pay period in Academic Year 2007-2008. The pool amount from which this distribution is made will equal 1.5% of the total base payroll calculated as of September 1, 2007.

The distribution methodology and salary comparator employed in 2007 and 2008 will be the same methodology as that which was employed in 2006. The parties shall meet and confer to review the distribution list.

The parties shall convene a labor-management committee during Spring 2008 to meet and confer regarding proposed alternative market salary statistical analyses to be used as the basis for distribution of the market and/or compression adjustments in Academic Year 2009-2010. However, if the parties have not agreed upon an alternative model and distribution method by March 1, 2009, the adjustments will be made according to the salary comparator and methodology employed in 2008.

The Academic Year 2008-2009 market/compression distribution will be made in the eligible Faculty Member's first pay period in Academic Year 2008-2009 to eligible Faculty Members who are employed as of that date. The Pool Amount from which this distribution is made will equal 1.5% of the total base payroll calculated as of March 2, 2008.

The Academic Year 2009-2010 market/compression distribution will be made in the eligible Faculty Member's first pay period in Academic Year 2009-2010 to eligible Faculty Members who are employed as of that date. The Pool Amount from which this distribution is made will equal 1.5% of the total base payroll calculated as of March 2, 2009.

Individual adjustments will be made according to each eligible Faculty Member's equiproportional share of the pool amount. Eligible Faculty Members may receive a market/compression adjustment of up to \$7,000 in a given year. Faculty Members are eligible for consideration of a market/compression adjustment in each contract year.

If this Agreement is extended beyond June 30, 2010, in accordance with Article 1.1 C, effective with the first full pay period after July 1 of succeeding years of this Agreement the university shall distribute a one and one-half percent (1.5%) salary increase as a market adjustment to eligible faculty members according to that methodology employed for market adjustments in the 2009-2010 academic year. If, however, either party indicates its intent to open this Agreement for negotiation, the salary increases provided above will not continue and there will be no salary increases during the negotiation of a new Agreement.

F. The monetary terms of this Agreement are subject to legislative approval and funding pursuant to AS 23.40.215 and AS 23.40.250 (4) *et. seq.*.

G. Merit Bonuses

The University may, in its sole discretion, award nonrecurring bonus payments to Faculty Members for extraordinary performance far beyond expectations. If the University determines that merit bonuses will be awarded, the dean/director shall recommend to the provost those unit members whose exemplary performance may warrant a bonus. The provost shall then determine the recipients and amounts of merit bonuses.

The decisions made pursuant to this paragraph, including the selection of recipients of merit bonuses and the amounts of individual merit bonuses shall not be grievable.

The University shall provide written notice of merit bonuses to ACCFT within a reasonable time and shall include the name of the Faculty Member, a description of the extraordinary performance for which a merit bonus was awarded and the amount of the increase.

There shall be no merit bonuses during the term of this agreement after June 30, 2010.

Merit Bonus Factors: Recommendations and determinations of merit pay adjustments by the dean/director and provost for exemplary performance shall consider pertinent factors regarding faculty effort, such as the following:

- formal or informal evaluations conducted by department heads/chairs
- quality of student evaluations
- number and quality of scholarly publications
- creativity in artistic works
- high level of instructional effectiveness
- quality of service to the university community or to the profession
- quality of outreach efforts through distance education
- strong and mutually beneficial linkages with business, government, or community partners
- other scholarly activity performed at an exemplary level

7.2 Geographic Differential

The following shall be the geographic differentials applicable to Faculty Members hired or transferred to a different campus after the effective date of this Agreement. Faculty Members whose current geographic differential exceeds the schedule set forth below shall be frozen at the higher geographic differential so long as:

- A. The Faculty Member remains in their current geographic differential area; or
- B. Until salary increases to the Faculty Member's base salary results in the Faculty Member receiving a higher salary than the frozen amount.

Aleutian Islands/Adak/Sand Point	27
Anchorage/Girdwood/Chugiak/Eagle River	0
Aniak/McGrath/Galena	30
Barrow/Kotzebue	42
Bethel	38
Bristol Bay/Dillingham	27
Cordova/Glenallen/Copper Center	11
Delta Junction/Tok	16
Fairbanks	0
Ft. Yukon	42
Juneau	0
Kenai/Soldotna/Homer	0
Ketchikan	0

Kodiak	9
Nenana	20
Nome	34
Palmer/Wasilla	0
Seward	0
Sitka/Angoon	0
Skagway/Haines	5
Valdez	11
Yakutat	5

7.3 Insurance

A. For Fiscal Year 2008, 2009, and 2010 the University shall contribute \$1023.75 per month per Faculty Member toward the cost of health benefits. Effective July 1, 2008, there shall be no University contribution for employees who choose opt-out of the UA Choice Plan. Notwithstanding the negotiated per employee per month defined contribution amount paid by the University for health care, in the event that total net plan costs increase such that the University's contribution falls below the following percentages of total net costs in years two and three, then the University shall contribute an additional amount to ensure that the University defined contribution shall equal 85% of net plan costs in Fiscal Year 2009 and 83% of net plan costs in Fiscal Year 2010. There shall be no further increases to the University's defined contribution during the term of this agreement, or any extensions thereto. Coverage provided to Faculty Members may be altered, following review and consideration of recommendations by the joint health care committee. Costs of the benefits in excess of the University's contribution shall be borne by covered employees, prorated among all participants in UA Choice.

B. UA Choice

1. The current UA Choice Plan shall be the health plan available to Faculty Members. The UA Choice Plan is a defined contribution plan with multiple coverage options, prospective employee charges, and a plan year based on a fiscal year. The defined contribution nature of the UA Choice Plan shall be maintained.
2. The University in good faith annually will establish a charge for each coverage option offered under the UA Choice Plan. Option charges shall be the same for all University employees selecting a coverage option. In establishing the charges the University shall include prior year under and over collections related to the UA Choice Plan, consult with its benefits consultant and claims administrator, and meet and confer with the joint health care

committee. Option charges will be collected on a fiscal year basis, and are not subject to negotiation.

- C. The university shall provide life insurance, long-term disability, and accidental death and dismemberment coverage on the same basis as provided to Faculty Members by the University Plan in place on the date of this Agreement.
- D. ACCFT and the University agree to establish a joint health committee with the participation of United Academics and Local 6070 to review health benefits and to investigate, study and design possible solutions to rising health care costs and other mutual problems. The committee shall meet at least monthly. Topics may include, but are not limited to, eligibility, cost containment, number and quality of benefits provided, deductibles, application of prior years' under and over-collections, preferred provider programs, competitiveness among providers, standardization of benefit design, utilization, promotion, and cost, wellness programs and other options designed to enhance benefit options while containing costs. The University will not adopt changes suggested by this committee that would:
1. result in a violation of established laws or regulations;
 2. alter the administration or management of health care benefits;
 3. result in a projected cost increase to the University, in any year, unless the parties agree by Memorandum of Agreement;
 4. be detrimental to the financial interests of the University, as determined by the President.

Each union will have two representatives on the committee. The University will have four representatives on the committee. A quorum for meetings shall require no fewer than seven (7) committee members. The University Benefits Director shall be an *ex officio* member of the committee. This committee will, to the extent possible, reach consensus on recommended actions. The committee shall conduct a formal vote on any official recommendations regarding changes in health benefits, with a 75% majority needed to pass any recommendation in the event that consensus cannot be reached. Notes shall be taken of committee sessions and posted on the Statewide HR website and/or other websites. This committee shall be advisory in nature, and will forward its recommendations to the University's Chief Human Resource Officer and each union president. The committee shall be chaired by a University employee selected by the committee. If the chair is not an existing member of the health care committee, then the chair will vote only in the event of a tie.

Normally, the University will accept committee recommendations that are consistent with parameters described above and will proceed accordingly to

implement the recommended changes. However, in exceptional circumstances, the Chief Human Resources Officer (CHRO) may determine that the best interests of the University and the health care plan would not be served in accepting the committee's recommendation. When the CHRO Officer does not accept the recommendations, the CHRO shall set forth in writing the reasons for that determination. The decision of the CHRO shall be rendered in writing within 20 days of the receipt of the committee's recommendations. The CHRO's decision is final and binding and not subject to further review. Copies of the committee's recommendations and the CHRO's decision shall be posted on the Statewide HR website.

All expenses shall be the responsibility of each party participating on the committee. The unions will provide staff support for the committee. A Faculty Member's participation on the committee will be recognized as service, consistent with Article 5.

Members of the committee will be trained on health care topics including labor-management committee processes, health benefit reporting and accounting, HIPAA compliance and topics relevant to the role of the committee.

The parties will meet and confer in good faith regarding health, pharmacy and wellness data that would be useful to the committee, as well as the timing and frequency of University provided reports. The University will facilitate information exchange between the plan's health care vendors and the joint health care committee to ensure timely receipt of information for committee use.

- E. . The Wellness Program implemented in FY2006 for UA Choice participants will continue to be funded as part of the University's contribution as established by this article. The Wellness Program will include a rebate of \$100 for each covered employee, spouse or financially interdependent partner who completes the annual health risk assessment. Additionally, in each year of this contract, the parties agree that up to \$300,000 will be available for other incentives for covered employees who participate in identified wellness activities and programs. The health care committee will identify the eligible criteria and levels for the distribution of incentives, which shall not exceed \$500 per employee annually.

7.4 Reimbursement Accounts, Tax Sheltered Annuities

Faculty Members shall be provided reimbursement accounts and tax sheltered annuities on the same basis as provided in the University Plan in place on the date of this Agreement.

7.5 Educational Benefits

- A. Faculty Members shall have graduate and/or undergraduate course credit hours charges waived up to six (6) credits per semester for a maximum of twelve (12) credits per academic year, beginning with the fall semester and ending with the summer term.

- B. Faculty Members who will be employed by the University for the following academic year and who are not employed by the University during the summer shall have graduate and/or undergraduate course credit hour charges waived up to twelve (12) credits per summer within the twelve (12) credit per year limitation.
- C. Spouses, financially interdependent partners, and dependent children under the age of twenty-four (24) shall have course credit hour charges (tuition) waived.
- D. Faculty Members who qualify as permanently disabled under the applicable state retirement system or have included University coursework as part of an approved leave of absence are entitled to the same educational benefits as regular Faculty Members.