

Pat Pitney, President

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UNIVERSITY
of ALASKA
Many Traditions One Alaska

Date August 22, 2025

To Austin Cranford, Staff Alliance Chair

From Pat Pitney, President

A handwritten signature in blue ink that reads "Pat Pitney".

CC Nickole Conley, Interim Chief Human Resources Officer
Michelle Rizk, Vice President for University Relations
Brian Smentkowski, Vice President and Chief Academic Officer
Luke Fulp, Chief Finance Officer
Cheryl Siemers, Interim UAA Chancellor
Mike Sfraga, Interim UAF Chancellor
Aparna Palmer, UAS Chancellor

Re Response to FY27 Staff Alliance Compensation Recommendations

Thank you to Staff Alliance for your July 8 memo with recommendations for FY27 compensation. I appreciate all that staff across the system do to support our academic, teaching and service missions. I have reviewed the recommendations with interim CHRO Conley and system office leadership; my response to the specific recommendations follows below.

Compensation Recommendations

Fair and Competitive Compensation

The Staff Alliance request asked for annual increases equal to or greater than those negotiated for the unionized employees. Our recent practice has been to match union increases for the non-represented staff, and to ask for that funding as part of our budget request. While the legislature did not fund the incremental funding request for non-represented staff this year, UA and the universities did fund the increase through internal reallocations to ensure equity across employee groups.

Conduct a new market study and compensation review

UA HR is working on a structured Compensation and Classification initiative aimed at updating how jobs are organized (classification) and how pay is determined (compensation) within our organization. The goal is to attract, retain, and fairly pay staff, while staying within budget constraints. In addition, we strive to use data, market benchmarks, and improved technology to make the process more transparent.

UA HR is also partnering with Salary.com to review the university's job families and salary structure. The outcome of the Compensation and Classification Framework Modernization project will inform potential changes to our salary structure. Implementation will focus on structural alignment and transparency. We don't anticipate immediate pay increases as a result of changes.

Re-evaluating Geographic Salary Differentials

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We do not plan to re-evaluate the Geographic Salary Differentials at this time. We continue to encourage supervisors and university leaders to consider both the local market for the position and internal equity when making offers to potential employees.

Increase the maximum percentage increase for in-grade adjustments by supervisors

HR is currently reviewing the existing BOR policy and University regulation for recommended updates to include review of the salary in-grade adjustments and bonus options. These recommendations will be circulated to governance groups for review and discussion over the coming year.

Loyalty/Retention Bonus

Bonuses are available to all supervisors as a tool to recognize performance and support employee retention. Each university can also implement anniversary awards through their staff longevity programs, and I would encourage respective staff councils to work with their chancellors for a process local to each university. Additionally, the University offers an Educational Attainment Incentive Pay to reward eligible employees for achieving higher education milestones which operate independently from in-grade step increases.

Increase Frequency and Amount of Leave Cash-In

We encourage all employees to make full use of their available leave each year. Time away from work is essential for maintaining your health, recharging your energy, and finding balance between your personal and professional life. Regular breaks help reduce stress, improve focus, and allow you to return to work with renewed creativity and productivity. Taking leave isn't just good for you—it supports a positive, high-performing workplace for everyone. Therefore, we will maintain the leave cash-in program in its current structure.

Recognize Education Attainment through supervisor support for career development plans and reclassification processes

Supervisors currently have the option to recognize professional development and certifications that are not specified in the Education Attainment regulation through the in-grade and bonus processes. We encourage employees to note these trainings/credentials in their annual evaluations and to discuss compensation adjustments in their review with their supervisors.

HR continues to expand self-service training materials for employees, offering a wide range of resources on career development, leadership, and supervision through the Employee Engagement & Development Center. The UA HR Talent Acquisition and Development (TA&D) team highlights monthly training topics in UA News and each university's newsletter. TA&D is also collaborating with the universities to create a supervisor training program to include a supervisor guide. We also anticipate improved processes and guidance—including career laddering in the coming year.

Benefits Recommendations

Optimizing Employee Health Benefits

We are currently in the process of reviewing UA's benefits, comparing UA's to those offered by peer institutions, the State of Alaska, and local competitors. Previous benchmarking efforts have resulted in enhancements such as an increased UA Pension salary cap, the addition of parental leave, and the introduction of short-term disability insurance.

Regarding the employer/employee healthcare split, I would note that UA's current 82/18 structure is more generous than the national average of 70/30. A modification of the 82/18 is not being contemplated at this time, however the pace of health care costs continues to outpace inflation and through discussions with JHCC, constant review and refinements will continue. UA annual benefit survey will go out again this fall to help inform future refinements. As a self-insured entity, anything we as employees can do to catch health care issues early benefits both the university and individual employees.

Regarding the comparison to premiums paid by State of Alaska employees, the UA health plan is more substantive than the state's, so an apple-to-apple comparison on premiums alone doesn't present the whole picture. HR's benefits team looked at the option to join the state's plan a few years ago, but this would have increased UA employee premiums by 6% for comparable coverage, with a significant up-front 'buy-in' cost for the UA system.

Additional days of parental leave

In FY25, 57 employees used the new parental leave benefit. FY27 will mark the fourth year of this benefit, at which point a comprehensive assessment will be conducted to review use and the potential of adding additional days.

Non-mandatory Winter Closure

Mandatory leave during the winter closure allows the universities to complete maintenance projects, reduce costs, and ensure facility safety without disrupting operations. It also makes it easier for many employees to plan time off, knowing that most offices will be closed. Because of these benefits, we will not be eliminating the mandatory closure.

That said, we understand that leave without pay can be a challenge for new employees.

In FY25, UA hired 208 new employees between October 1 and December 31 that would not have accrued sufficient leave (24 hours) to cover the hard closure. Any system to provide for a leave bank for these employees would need to be fully automated to deduct against any future leave accrual. I will ask HR to explore this feasibility.

Increase Tuition Waiver Credit Hours by 1 (currently 16)

Our current tuition waiver program is an annual estimated expense of \$2.5M in tuition payments for employees (not including dependents). As a public employer, we must be conscious of both the cost and use of this benefit, particularly during regular working hours. I believe our current regulation on tuition waivers strikes the appropriate balance. Staff wishing to use the tuition waiver for recreation classes have that ability now.

Add Juneteenth as a Paid Holiday

The University provides staff with 13 paid holidays each year, including one personal holiday that may be used to observe Juneteenth, if desired. This holiday schedule exceeds both the State of Alaska's 12 holidays and the federal government's 11. In addition, there are several holidays that don't align across these three large employers, so there is precedent for UA employees working on days that either state or federal employees take as a paid holiday.

Because both the Juneteenth and Independence Day holidays are date-specific but may be observed on different weekdays when they fall on the weekend, to minimize impacts on summer session classes, we will continue to offer two days for the Independence Day holiday, with Juneteenth as a regular working

day. We encourage staff who wish to participate in Juneteenth celebrations to either use their personal holiday or take an annual leave day.

Other Requests

Maintain staff levels and evaluate workloads; review the use of temporary and term funded positions

The escalation in temporary and term-funded roles is not taken lightly. These decisions are often driven by the need to:

- **Manage Budget Uncertainty:** Committing to permanent, benefit-eligible positions during uncertain financial periods could result in long-term obligations the university is unable to sustain. Temporary roles provide a buffer to adapt staffing levels as funding evolves.
- **Preserve Core Services:** When resources are limited, temporary and term-funded positions allow us to staff essential areas, such as student support and recruitment, without overextending our fiscal commitments.
- **Enable Agility in Restructuring:** As the university continues to adapt to changing enrollment trends and state funding levels, flexible staffing models are often needed to restructure units, pilot new initiatives, or meet short-term goals without locking into ongoing costs.

We recognize the concerns regarding morale, turnover, and the loss of institutional knowledge. To address this, UA HR is exploring ways to strengthen onboarding, improve support for employees, and increase clarity around position classifications. We are also reviewing guidelines to ensure positions are appropriately designated based on funding and long-term strategic needs.

While we must be cautious in expanding permanent staffing during times of financial uncertainty, our temporary and term funded positions have seen reductions from this time last year. We remain committed to transparent staffing practices and to building a work environment where all employees—regardless of classification—feel supported and valued.

Increase the Staff Development Fund, provide more consistent communication

Each university has the ability to enhance their staff council governance funding through additional university allocations. I would encourage the respective staff councils to meet and discuss this with their university leadership.