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## MEMORANDUM

Date: August 28, 2018

To: James R. Johnsen, President

From: Josh Watts, Chair, UA Staff Alliance



Re: FY20 Compensation Recommendation

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The Staff Compensation Committee met late this summer to review and discuss staff compensation at the University of Alaska. Committee members reviewed the [history](#) of compensation increases at UA, [salary schedules](#) and [CBAs](#) for state and borough employees, the [current consumer price index](#) for Urban Alaska, and staff morale surveys across campuses as they developed their recommendation.

### CPI

Particularly concerning to the committee members was the lack of any comprehensive pay increase in FY18 and FY19. Staff at UA have gone two full years without an across-the-board increase. The last time UA failed to budget for a staff pay increase was over twenty years ago in FY 1996 and 1997.

Looking at the CPI and inflation rates, which increase at a steady pace of 1.5-3% a year, without regular compensation increases, staff are essentially being paid less each year to do the same job. The CPI for Urban Alaska increased 3% over the last two years while the national CPI increased 5.9% over the same period.

### State Employees

Over the last five years, unrepresented staff have received the lowest wage increases of all UA employees averaging 1.4%/year (in comparison to Local 6070 represented staff at 2.3% and UAFT represented faculty at 2.6%). Over the last two years, while staff wages have been fixed, the average Alaskan has received a 2.4% increase in salary and the average member of the US workforce has received a 4.8% increase (US Department of Labor). Despite the budgetary issues of the State, many State employees have seen an increase to their base wages in the last few years in addition to merit based increases. APEA represented employees received a 6.7% increase in 2018, while public safety officers have received an 8.1% increase over the last two years. Corrections officers have also received a 3.3%

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increase over the last two years while UA unrepresented staff wages have remained fixed. (Alaska Department of Administration Division of Finance)

### **Morale**

Staff at UA are aware of the recent budget challenges faced by the university and have showed they are willing to take on additional duties as staff have dropped in numbers from 2953 FTE in 2013 to 2501 FTE in 2017 (a [15% reduction](#)). However, lowered staffing levels and increased duties have started to negatively affect morale across all campuses.

For instance, lack of appropriate compensation and wage increases, especially given increased workloads, and lack of advancement opportunities was listed as a major morale factor affecting UAA staff last year ([2018 survey](#)). Almost one third of UAA employees were actively seeking alternative employment outside the university last year. A lack of appropriate compensation for higher “unreasonable” workloads and expectations was identified as a major reason.

### **Current Options**

Regents’ Policy and University Regulation do allow for in-grade step increases (see [R04.05.043.B.](#)), however, this type of adjustment is considered “an exceptional occurrence” and must be approved by the local human resources director or chief human resources officer. The barriers to in-grade step adjustments are known to be difficult to overcome and do not address the systemic issues of wage compression and lack of career development.

The University also allows for performance bonuses, however, bonuses are not counted toward retirement, are one-time, and cannot be given to staff out of restricted funding (making it difficult for grant-funded staff to receive recognition for outstanding performance). As such, the Staff Compensation committee did not feel performance bonuses were appropriate to address overall staff compensation at UA.

### **Proposal**

The Staff Alliance recommends an across-the-board increase of 3% for all UA staff in FY20, as well as a merit-based increase to be funded for an average of 2%. The merit-based increase could range from 1-5% based on individual performance and a positive performance evaluation from their supervisor.