

James R. Johnsen, Ed.D.

President

Butrovich Bldg, Ste. 202, 2025 Yukon Drive
P.O. Box 755000, Fairbanks, AK 99775-5000
Phone: (907) 450-8000; Fax: (907) 450-8012
Email: ua.president@alaska.edu
www.alaska.edu



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Dear UA Faculty and Staff,

It is a pleasure to share with you our progress on making sure our employees are paid fairly for the important contributions you make to the university's mission.

The University of Alaska Office of Human Resources (HR) completed the total compensation study in June 2019 and it was approved by the Board of Regents in September for implementation this year. We want to ensure that our salaries and benefits are market competitive, internally fair, and aligned with our shared strategic priorities and core principles. Through our study, we have identified where employees' compensation and benefits are in relation to the market. About 40% of employees are paid below what is considered within the competitive market range (+/- 10% of the market median).

A key element of the University's compensation philosophy is that we pay University employees at least 90% of the market median for their job. The total cost at this time to bring employees up to 90% of the market is approximately \$10 million. In light of the current state funding reductions we are experiencing, we cannot close that large of a gap in a single year. That's why I have directed HR to spread the adjustments out over the next three years. Employees under 90% of the market will receive additional communication explaining the adjustment.

I wish we were in a position to address the market salary gaps at once. We must weigh the fact that our budget is under serious pressure, so a gradual approach allows us to address the gaps in a less financially disruptive way.

Thanks for your participation and patience as we bring this process from study to implementation. If you have any questions about the salary adjustments or the total compensation project, please visit <https://www.alaska.edu/classification/compensation-review/> or contact Human Resources (907-450-8200, ua-hr@alaska.edu).

Sincerely,

Jim Johnsen
President