

James R. Johnsen, Ed.D.

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October 24, 2018

Dear UA Faculty and Staff,

The University of Alaska is undergoing its first-ever comprehensive salary and benefits review and pay equity study to optimize our internal equity, retention, and recruitment. The review has examined our compensation as it relates to labor markets, peer institutions, and equity within the faculty Classification Instructional Program (CIP) codes and staff job family classifications. Our consultants' statistical analysis is finding some potential internal equity issues and, while on average our salaries are market competitive, some are below the standard market benchmark of ± 10 percent of the market median.

The effects of our severe budget reductions over the last several years have impacted our ability to fund ongoing increases to our compensation and benefits package. Though our budgets are still very tight, and there is significant uncertainty about the budget going forward, I believe now is time to address compensation and benefits.

As we work toward developing an implementation plan based on the analysis, we have developed an estimate of the overall cost of making needed adjustments, though it will still be a few months before we are able to present detailed information.

A summary of the project and the proposed budget to fund adjustments is available for your information on the project website, alaska.edu/classification/compensation-review/index.xml, and included in the Board of Regents' meeting materials. This information will be presented during the FY20 budget discussion at the November Board of Regents meeting, and the board's approval will be requested.

If the Board of Regents approves the proposed budget, the funding request will go to the governor and then to the legislature. The proposal will be in two parts.

- The first would be to remedy any potential pay equity gaps; likely, this would be made in the form of a supplemental budget request for immediate funding and implementation.
- The second would be to fund market, inflation and pension adjustments; our plan is to phase in these adjustments annually over the next several years.

All of this, of course, is subject to funding, but we will work hard to make that happen. There is an FAQ that addresses many of the questions you may have at alaska.edu/classification/compensation-review/index.xml.

Additional updates and information will be available at that site as we move through the process.

Respectfully,

A handwritten signature in black ink that reads "James R. Johnson". The signature is written in a cursive style with a large initial "J" and a distinct "R".

Jim Johnsen