

Office of Human Resources  
Butrovich Building, Suite 212



(907) 450-8200  
(907) 450-8201(fax)

To: UA Staff Alliance Compensation Working Group

From: Tara Ferguson, Director  
Compensation & Classification *Tara Ferguson*

Date: April 30, 2014

RE: Compensation Working Group Proposals

Thank you for your proposals on compensation matters, and for your hard work and dedication to this working group. Each of the requests has been researched and carefully considered. These requests have also been discussed with President Gamble. Responses for each request are outlined below.

**Geographic Differential Adjustments**

At this time, there is no budget for implementing geographic differential changes. The cost associated with aligning the University of Alaska campuses with the same geographic differentials the State of Alaska uses would be about \$6.4 million dollars annually. With the State reducing our budget by \$15 million dollars, the University of Alaska is not in a position to fund this type of increase. President Gamble has indicated he would discuss this proposal with the Chancellors and consider requesting additional funding in the next budget request from the State Legislature, but there would be no guarantees.

**Veteran's Day Holiday**

The University of Alaska currently has 12 holidays. The State of Alaska currently has 11 holidays. The President will consider, along with the Chancellors, establishing Veteran's Day as a UA holiday but only if another holiday is traded for that day. If that is something that employees do not wish to consider then there will be no increase in the number of holidays at the University of Alaska.

**Flexible Work Schedule**

President Gamble has expressed that he does not want to create a system wide one size fits all process for employees to work some sort of flexible work schedule at this time. He recommends that the Compensation Working Group go back to their respective Chancellors and voice their thoughts on a Flexible Work Schedule proposal. He is open to a system wide process but only if the Chancellors agree.

Campus supervisors may set up flexible work schedule procedures, as long as they do not conflict with University Regulation 04.05.020(D) (1) (b).

Recently, the President authorized statewide non-exempt/exempt employees the option to work a flexible schedule within a trial period of June 1, 2014 through August 23, 2014. There are certain guidelines and approvals needed through a "change in work hours" form. If this trial period proves to work well, he will consider further options. The bottom line on flexible work schedules is that they are a balancing act between employee benefit and the mission needs of the University. Supervisor assessment is essential to making that balance work, and any discrepancy has to favor UA in the resolution.

### **Restructuring Sick Leave**

**Proposition 1:** PERS retirement does not allow sick leave to be applied toward an early retirement date. There is an Alaska Statute that prohibits this and the University of Alaska would have to go to the legislature to change the Alaska Statute. We will not attempt that at this time.

**Proposition 2:** In conducting some research and with some guidelines that would be in place for a proposal like this to occur, it would cost the University of Alaska over \$2 million dollars. It would also potentially increase the staff benefit rate for each employee. With the current budget of the University of Alaska being less than in years past, this proposal could not work unless there is an offset to other compensation and benefit costs.

On the other hand, the University administration is currently working toward a process to give employees inclement weather days each year; which would decrease the amount of sick leave days by two or three days. This process has not been created or finalized at this point, but the intent is to allow for inclement weather leave to accommodate for the University closures that have occurred sporadically from hazardous road/work conditions due to weather over the last several years.

### **Performance Bonus System**

**Propositions A&C:** President Gamble has indicated that he does not want to create a system wide employee performance bonus system without all of the Chancellors agreeing to such a process. He recommends that campuses should set up their own formal procedures and forms/documents if they choose to offer performance bonuses as money or leave days. Bonuses in the form of leave days should be compliant with the Fair Labor Standards Act. Sustained Outstanding performance can also be recognized using the In-Grade Step adjustment process outlined in University Regulation 04.05.043 (B).

**Proposition B:** The president, at this time, does not favor creating a performance bonus pool by using a percentage of employee's staff benefits due to the budget associated with this proposition.

### **Volunteer Leave Time**

There will be no formal Volunteer Leave Time policy created. In light of the true meaning of volunteerism, employees wishing to volunteer may use annual leave or the new personal holiday leave they will receive in fiscal year 2015. Supervisors should support those who volunteer to the greatest extent the mission will allow.

Campuses are however free to establish guidelines/procedures to allow employees to participate in campus-focused activities. Care should be exercised with volunteer activities that could be considered essential job functions for employees, as these could be in conflict with the Fair Labor Standards Act and may be considered compensable time. Questions on whether campus volunteer activities could be considered work time should be referred to the appropriate campus HR office.

It is the President's intention to keep the dialogue channels open on these ideas and others that may come up later. What is unworkable today may not be so difficult in the future and vice versa.

If you have any questions or need further clarification please let me know.

cc: Patrick K. Gamble, President  
R. Erik Seastedt, CHRO