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MEMORANDUM

DATE: November 1, 2012
TO: Staff Alliance
FROM: Pat Gamble, President 
RE: Staff Compensation

Fellow University of Alaska employees:

For the past few weeks our Budget Office has worked hard on the FY14 proposal that will go to the Board of Regents and the Legislature. A large and important component of the budget is the amount allocated for a staff employee wage increase. Staff Alliance had recommended a 3.5% increase, which is the proposal that was considered as the budget came together. In the end the staff recommended wage increase was determined to be 3.25%. That is about a \$10M increment added to our budget, of which half is paid by UA and half by State GF appropriations, if the Legislature agrees with the recommended raise amount. The chancellors and I support this wage increase going to the Board of Regents.

I believe it is important to put this recommended wage increase in perspective, which we did, in order to more objectively determine if it is reasonable and if it is fair in this tight economic climate.

- The increase complies with BOR policy that requires annual cost of living adjustments: CPI in Alaska last calendar year was 3.2%; CPI in Alaska for the first half of this year averaged 2.0%.
- The Milliman survey of 50 Alaska employers revealed that their last wage increases averaged 3.0%. For example, here in Fairbanks Doyon, Limited, set their corporate wage increase for 2013 at 3.0%.

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The UA Staff has adjusted well to the added operations tempo created by SDI. And the hard work will clearly have to continue throughout FY14. For all that you do so well, let me convey a sincere thank you. Your efforts will enable us to adapt UA to the evolving future of higher education and workforce development in Alaska. There is no formula for figuring enough pay that can really capture the kind of value you all have added to this effort and to the greater success of many, many students.

PKG

cc: UA System Governance Office
Chancellors
Michelle Rizk, UA Associate Vice President for Budget
Donald Smith, UA Chief Human Resource Officer