

Frequently Asked Questions

FY09 Staff Salary Compensation: Cost of Living Adjustment and Suspension of Annual Steps

Background:

In March 2008, the University modified its budget request to seek funding approval for a 4.5% grid increase for UA staff for FY09 instead of the proposed 2% grid increase and 2.6% to cover annual staff step increases. Based on this approach, a revision to regulation will suspend annual step increases. Pending approval by the Board of Regents at the April 2008 meeting, the University will adjust salaries for eligible staff during the first full pay period of July through a salary grid increase of 4.5%.

Why did this change occur?

The University changed its approach to funding for step increases to address concerns raised during the legislative budget review process. The University's FY09 approach of asking for a single increase through a grid adjustment aligns with the State of Alaska's approach to budget requests for annual compensation increases for employees. The change was made to secure support for the University's budget for annual staff salary increases.

When will these changes occur?

Through a revision to University Regulation, annual step increases will be suspended effective July 1, 2008. As there is a specific requirement in Board of Regents' Policy for Board approval of changes to salary structure and cost of living adjustments, the Board of Regents (BOR) will be asked to review and approve the 4.5% grid increase at the next regular BOR meeting in April, 2008.

How and when will employees receive the pay adjustment?

The entire salary schedule will be adjusted by 4.5%. The changes to salary adjustments for staff will be effective for FY09, with the increase occurring in the first full pay period in July, 2008. Employees will see the pay increase in their August 1, 2008 paycheck.

Which employees will be affected?

Exempt and nonexempt regular staff in continuing and term appointments will be affected.

Is this change fair to employees?

The 4.5% grid adjustment made in the first full pay period of the fiscal year will be implemented in place of the 2% grid adjustment and the annual step increase provided on an employee's anniversary of hire date. While employees will not receive step increases during FY09, the higher grid adjustment is intended to provide an equivalent annual increase.

Is the move from a separate COLA and annual step increase to a single grid increase permanent, or will it change in future years?

The University will use this model for FY09. No decision has been made for future years.

Will employees hired before July 1st receive the overall grid increase, even if they are recent hires?

Yes. Even those employees hired in June 2008 will receive the 4.5% adjustment.

Will the University continue to give annual step increases until the effective date of this change?

Yes. Current employees with an anniversary date prior to July 1, 2008 will receive their annual step increase, followed by the 4.5% grid adjustment in July.

Will employees remain on their current steps in the salary schedule when the adjustment is made?

Yes. Employees will remain in their current steps when the salary schedule is adjusted by 4.5%.

Will the salary schedule still exist?

Yes, the salary schedule will still be used to establish salaries for newly hired and promoted employees as it is currently being used.

Does the 4.5% grid increase for FY09 apply to students?

No. The proposed increase to the grid of 4.5% for Staff and suspension of annual steps for FY09 will not affect student employees. Student compensation is covered by a different University Regulation, 09.05.026. Student employees will continue to receive annual step increases as provided in regulation. The University will review compensation for students over the next several months to ensure our ability to recruit and retain student employees

If you have other questions, please contact your Human Resources Office.