

March 22, 2022

TO: University of Alaska Community

FROM: UA President Pat Pitney

RE: Update on United Academics CBA Negotiations

The existing collective bargaining agreement (CBA) between the University of Alaska and United Academics (UNAC) expired on December 31, 2021, although its terms and conditions remain in effect while the parties negotiate a new agreement. Those negotiations began last August and will continue until an agreement is reached or negotiations are deadlocked. To date, the parties have tentatively agreed upon half of the contract's 22 articles.

I am writing today in part because time is of the essence for agreement on any new CBAs. For our represented employees to receive any increases this year, the monetary terms must be included in this year's legislative budget, as is our goal. Provided that negotiations conclude in late April, within the timeframe required by the Legislature, the contract terms and a supplemental budget request will be submitted for inclusion in the FY23 operating budget. If not, the Legislature will not even review the new CBA and consider increases in compensation until the next regular legislative session which starts in January 2023.

One of my goals is and always has been to increase compensation across the board for all employees as a component of the university achieving financial stability. I am committed to regular, modest increases for all employees. This position is consistent with Board direction.

The university's proposal to UNAC includes a compensation package that contains **no** take-backs in benefits. It includes a 6% across-the-board raise over the life of the CBA (2% per year for three years), costing \$13+ million (including benefits), and nearly \$1 million in faculty development funds. The proposal also leaves open the possibility of market increases should funds become available. The university's proposal is a clear improvement over the current agreement and has the potential to get UA employees on a track of regular planned – and funded – wage adjustments.

For context, UNAC's most recent proposals would amount to a 34% increase in salaries for UNAC members. This is a small step down from their original proposal suggesting a 39% increase. UNAC asserts that funds for this massive increase are available through 1) research grant revenues, understanding fully that grant funding is not available for general increases outside the grant purpose, or 2) reallocation from other components, knowing fully that tuition is declining and that a state funding increase of this magnitude is not possible. Overall, UNAC's current compensation and benefits proposals would cost an estimated \$75-80 million dollars over the three-year contract. If the proposals were funded through reallocation of current resources, the impact on staffing, program offerings, and operations would extend well beyond Governor Dunleavy's FY20-22 compact reductions.

I understand that the university's proposal is not as much as we all would like, given that all UA employees have worked the last several years in a difficult budget environment, under extraordinarily difficult conditions, and that institutions and individuals see inflationary pressure. However, the reality is that the university system continues to face budgetary constraints from years of decreased state appropriations, deferred maintenance, COVID, and enrollment declines. While we are turning the corner on these issues, there is much more work to be done, and increases in compensation must reflect this reality.

In addition to compensation and benefits, the parties are negotiating non-monetary proposals. This is a long-standing CBA that has served the parties well as evidenced by the absence of major disputes over its 25-year history. UNAC's demand for nearly 200 changes, impacting 120 provisions of the existing CBA, must be viewed in that context. Although there is a desire for non-monetary changes, I reiterate the urgency necessary to meet the Legislature's deadlines to ensure funding.

In closing, I want to thank all our employees for their outstanding service and commitment to students and the university, and hope this provides some useful context as we continue to bargain. I also want to thank the students and the community for their confidence as we focus on meeting Alaska's ever-growing workforce needs.