



RE: Implementation of University's "best and final offer"

May 16, 2022

University of Alaska community,

In a unanimous vote this morning, the Board of Regents took unprecedented action to authorize me to implement the administration's 'best and final offer' to United Academics [UNAC]. The action follows deadlocked negotiations and an unsuccessful effort to reach agreement in federal mediation, resulting in impasse.

With negotiations at impasse, and with the legislative session rapidly coming to an end, there was no other way to get monetary terms in front of the legislature before the end of the session without this action. The university cannot provide salary and benefit increases to any union member without the legislature including the monetary terms of the Collective Bargaining Agreement in the budget as required by law.

While the legislature may not include the monetary terms in the budget, this is our only chance to try to provide faculty raises this July. I firmly believe that the vast majority of UA's faculty members are focused on the success of their students, programs, and research, and will understand action aimed at providing fiscal stability for the first-time in five years. Although the raises are modest, they are fundable and would be available in July if appropriated, versus waiting another full year.

The administration's 'best and final offer' provides for modest regular increases of 3%, 2.5%, and 2%, respectively for FY23, FY24, FY25, plus an adjustment to the pension wage base that requires an additional contribution of \$765/person per year. This is above the 2% annual increases originally planned and beyond the comfort level of several Board members.

The union's compensation position, by contrast, would cost more than \$70M over the term of the contract, more than four times UA's offer, and was viewed as unsustainable and unfundable. For context, if unfunded, as was likely, this would have rivaled the cuts UA experienced over the last three years.

UA accepted a large number of UNAC's proposed contractual changes that UNAC said were important to its membership. UA also gave up several important changes it sought including: consideration of furloughs in-lieu of program reductions and eliminations, and

