

First and foremost Staff Alliance looks forward to working together with the central administration and the Board of Regents in this upcoming year. Staff Alliance would like to thank the Board of Regents for the opportunity to serve on the Presidential Search Advisory Committee.

Staff Alliance has set five primary goals for this upcoming year. Three of our top priorities from last year integrative advocacy, child and family friendly policies and staff compensation are still hot topics for us. We are adding the additional goals of creating staff emeritus status and stimulating community engagement.

Staff Compensation is something that is on the forefront of all staff members' minds. It has been over two years since staff members have received an annual step increase and still there is no foreseeable plan to reintroduce a mechanism that would allow for step increases, instead the traditional step increase has been lumped with the COLA in the form of a grid increase. Now for FY11 that grid increase is projected to have decreased from 4.5% to 3%. We consider this to very troublesome. Historically even if a grid increase was not approved staff members would still get a step increase of 1-3%. Should a solution not be found a result could be a denied grid increase which would result in staff members receiving no increase. We feel that in this cloud of uncertainty staff members are more likely to look outside of the university where a financial future can be more predictable. It is important to recognize the longevity and the institutional knowledge staff members contribute to the University though continued funding of step increases. Our goal this year is to work with the administration to create a plan to allow for increases, such as merit based, and to work on communicating our efforts to staff members so they know what their compensation future holds.

Staff emeritus is an honorary title we are working towards establishing the criteria to be able to bestow this honor upon staff members who have contributed long and faithful service of high quality to the University community.

Stimulating Community Engagement at the system level, our focus will not just be on service, but creating connections within our communities.

Staff Compensation

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Historically even if a grid increase was not approved staff members would still get a step increase of 1-3% (2.6% average). Should a solution not be found a result could be a denied grid increase which would result in staff members receiving no increase.

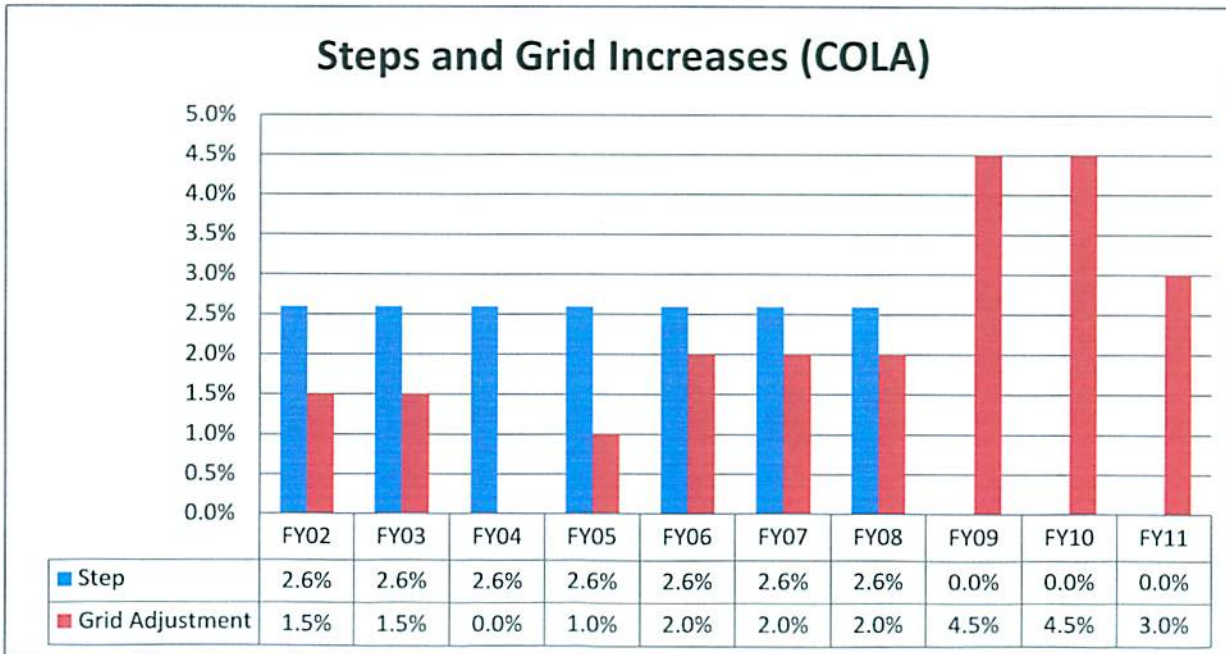
Now for FY11 that grid increase is projected to have decreased from 4.5% to 3%.

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Percent Increase

| Year | Step | Grid Adjust | Combined |
|------|------|-------------|----------|
| FY02 | 2.6% | 1.5% | 4.1% |
| FY03 | 2.6% | 1.5% | 4.1% |
| FY04 | 2.6% | 0.0% | 2.6% |
| FY05 | 2.6% | 1.0% | 3.6% |
| FY06 | 2.6% | 2.0% | 4.6% |
| FY07 | 2.6% | 2.0% | 4.6% |
| FY08 | 2.6% | 2.0% | 4.6% |
| FY09 | 0.0% | 4.5% | 4.5% |
| FY10 | 0.0% | 4.5% | 4.5% |
| FY11 | 0.0% | 3.0% | 3.0% |

Assumed Average Step is 2.6%



*Please note that the blue increase was a constant increase, the red increase was capped at 2% until FY09, there has been no guarantee for the grid increases (red)

Cost of Living

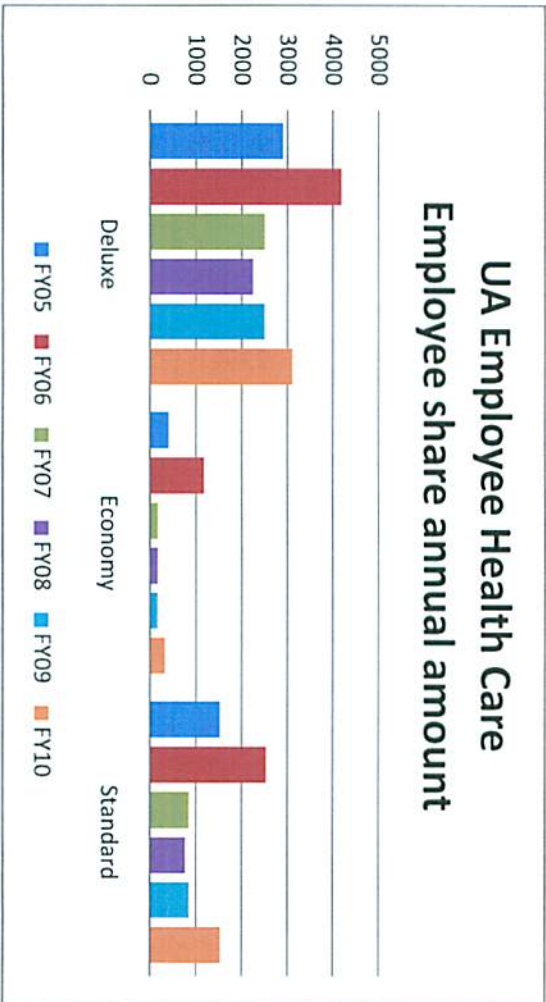
| Year | Percent |
|------|---------|
| 1990 | 6.2% |
| 1991 | 4.6% |
| 1992 | 3.4% |
| 1993 | 3.1% |
| 1994 | 2.1% |
| 1995 | 2.9% |
| 1996 | 2.7% |
| 1997 | 1.5% |
| 1998 | 1.5% |
| 1999 | 1.0% |
| 2000 | 1.7% |
| 2001 | 2.8% |
| 2002 | 1.9% |
| 2003 | 2.7% |
| 2004 | 2.6% |
| 2005 | 3.1% |
| 2006 | 3.2% |
| 2007 | 2.2% |
| 2008 | 4.6% |
| 2009 | 1.3% |

Source: Alaska Economic Trends, August 2009
U.S. Department of Labor, Bureau of Labor Statistics

Note: These are calendar years

Coverage Emp + Spouse

| Sum of Annual Row Labels | Column Labels | FY05 | FY06 | FY07 | FY08 | FY09 | FY10 |
|--------------------------|---------------|------|------|------|------|------|------|
| Deluxe | | 2904 | 4195 | 2508 | 2257 | 2508 | 3118 |
| Economy | | 420 | 1176 | 180 | 180 | 180 | 341 |
| Standard | | 1536 | 2539 | 863 | 777 | 863 | 1536 |



* Another increase is expected in FY10



*Grid Adjustments and step increases occur each fiscal year. CPI is generally calculated on a calendar year.
 **Although CPI is currently low for this year, it is expected to increase by year's end.