

ALASKA STATE LEGISLATURE

House and Senate Finance Committees

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Official Business

Patrick Gamble, President
University of Alaska
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October 14, 2012

Dear President Gamble: *PKG*

We are sure you are painfully aware of the budget challenges that face the state in the upcoming years. As with other state entities, a major portion of your costs are contained in employee salaries and benefits. We are aware that you are entering negotiations with several bargaining units and the terms of those contracts will impact your budget for years to come.

Though the legislature is not involved in the actual negotiations of contracts we are obviously involved in funding them. It is with respect for your autonomy and the autonomy of the Board of Regents that we encourage you to hold the line as best you can in these contract talks.

Additionally, parties should not look to the recent contracts negotiated by the Parnell Administration as their guide as you discuss terms. The funding picture is even bleaker than when those negotiations took place and we would hope that both UA's management and employees will recognize that and respond accordingly.

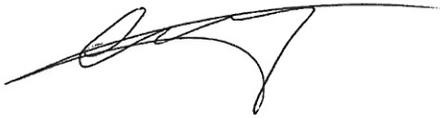
Furthermore, potential challenges related to the massive unfunded liability of the retirement system as well as health care are still developing and we encourage you to take them into consideration as you move forward. We assure you, we are.

Although we do not speak for the entire legislature, we can tell you that there is very little appetite for increased cost in this precarious financial environment. We value UA employees

and want to protect their jobs as best we can. Making it more and more expensive to keep them employed will ultimately not be in their best interests, or in the best interests of the students.

We know you have a difficult job balancing your bottom line with your need to attract and keep good employees. We know you will do the best you can, and we appreciate your service to the state.

Sincerely,



Senator Charlie Huggins
Senate President



Representative Mike Chenault
Speaker of the House



Senator Kevin Meyer
Senate Finance Committee Co-Chair



Representative Alan Austerman
House Finance Committee Co-Chair



Senator Pete Kelly
Senate Finance Committee Co-Chair



Representative Bill Stoltze
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