MINUTES
UAF STAFF COUNCIL #262
Monday, June 1, 2015
9:00 - 10:05 AM
Wood Center, Room C/D

I. CALL TO ORDER & ROLL CALL

A. Call to Order
   - President Faye Gallant called the meeting to order at 9:10 AM.

B. Roll Call
   - Quorum was not met following roll call, due to technical difficulties. It was met later in the meeting.

   Present:
   - Mercedes Anderson
   - Nate Bauer
   - Chris Bekas
   - Chris Brooks
   - Susie Carson
   - Faye Gallant
   - Jane Groseclose
   - Melody Hughes
   - Connie Huizenga
   - Phil Jacobs

   Present (cont.):
   - Brad Krick
   - Jessica MacCallum
   - Brandi Marrero
   - Jenell Merrifield
   - Sue Mitchell
   - Mathew Mund
   - Samara Taber
   - Lesli Walls
   - Jami Warrick
   - Leon Wu

   Excused:
   - Kim Eames
   - Stacey Howdeshell
   - Jim Jones
   - Chad Oleson
   - Evelyn Pensgard

   Absent:
   - Jesse Atencio
   - Aly Englert
   - Celena Brown
   - Dean Ojala
   - Trish Winners

   Guests:
   - Chancellor Brian Rogers

C. Approval of Agenda for Staff Council Meeting #262
   - Approved as presented

II. STATUS OF PENDING ACTIONS

A. Leave Share Resolution
   - It has been over a year since UAF Staff Council passed its ‘Leave Share Resolution’ and submitted it to Staff Alliance. Although Staff Alliance approved a resolution supporting the UAF Staff Council ‘Leave Share Resolution,’ months ago, the Statewide System Governance Office did not compose the final resolution and it was not forwarded to the appropriate parties. Faye has been working to get this resolution written and submitted. We are hoping this will be completed soon. It was supposed to be submitted this past Friday. Faye did not have an update this morning, but she suspects that it has not been completed. She will continue to follow up on this issue until it is sent forward appropriately.

B. Staff Alliance Task Force to Review “Review Process” vs. “Grievance Process” and Make Recommendations on Layoff Revisions
C. UAF Term Funded Internal Applicant Policy
- Last week, at PreStaff, the officers inquired about the status of this policy. Chancellor Rogers was somewhat surprised this had yet to be completed. He is committed to having this in place this summer.

D. Resolution Requesting Staff Council Involvement in the Selection of the New UAF Chancellor and the Interim UAF Chancellor – no update
- Chancellor Rogers fully supports Staff Council’s request and has reiterated this support to President Gamble. He fully expects that Staff Council will have a representative on the search committee for the new chancellor and input on the selection of an interim chancellor. There will probably not be a search committee for the interim chancellor.

E. Staff Volunteer Day Proposal and Resolution
- This was submitted to Chancellor Rogers. Once he has a chance to review this we should hear something back over the course of the summer.

III. CHANCELLOR’S REMARKS
- Chancellor Rogers hoped to have more information on the budget for today’s meeting. However, we are still waiting for the Legislature to complete its work on the state budget.
- To review where we are, the legislature passed a short funded budget. Governor Walker signed a portion of it and vetoed a portion of it. We have approval to spend 28% of our general funds for the year and all of our generated revenue for the year. This makes it possible for us to operate through the summer.
- We are hoping the legislature reaches an agreement in the next few days.
- This week, Chancellor Rogers will be sending out the budget targets to all offices. This will be based on the budget as approved by the legislature a month ago. However, this is subject to further changes by the Legislature, by the Governor, the Regents, the President, by Chancellor Rogers, and/or by Vice Chancellors.
- The status of pay is the big unknown. As passed by the legislature over a month ago, there was no funding for pay raises and a specific disallowance of pay raises. We have had several budget versions since, all of which are drastically different. It is unknown how this will turn out since essentially four parties are negotiating – the Senate majority, the House majority, the House minority, and the Governor. The budget that goes out this week is highly unlikely to be the final budget.
- Today, the State of Alaska will be sending out layoff notices to all its employees. We are not doing this at the University for a few reasons:
  • Given our generated revenues and general funds appropriated so far, we have sufficient funds to operate for several months. Summer Sessions and research can go on based on this generated revenue.
  • Secondly, unlike the state we have a furlough policy. This gives us the choice of furloughs rather than layoffs, which is vastly preferable and much easier to rescind. At this point we don’t need to take the action of implementing furloughs.
  • Thirdly, any University-wide decision really needs to be made by the President and made by the Board of Regents (BOR), who meet at the end of this week. The President’s Summit Team meets today and Chancellor Rogers expects that over the course of this week we might see some further work and he continues to have faith that the legislature and governor will get an agreement worked out.
  • A shutdown is certainly not in anyone’s interest, and even the threat of it is a substantial drag on the state. We are putting some effort into planning, but we will likely not have to execute this plan.

**Chancellor Replacement Process:**
- There will be a two-part process for selecting a new UAF Chancellor:
1) Appointment of an interim Chancellor who would potentially overlap a couple weeks with Chancellor Rogers. That person will serve through next spring, probably June 1. Chancellor Rogers expects the president, after discussion with the Board of Regents, will propose several names and ask for comments from the community. He assumes that Staff Council will have an opportunity to meet with these candidates and provide feedback.

2) This would be followed by a full search for a permanent Chancellor that would kick off with the fall semester. Staff Council should have a representative on the search committee, which will likely begin work in Aug. The president will make this decision, but support will come from the Fairbanks office.

- The BOR meets this week on campus.

**Upcoming Meeting of Governor Walker’s Transition Team to Discuss State Budget**

- On Fri. evening, Sat. and Sun. of this week, Governor Walker’s transition team will begin discussions to address the questions of what kind of state we want to be when we grow up and how are we going to pay for it. UAF is providing logistical support for this, essentially making our facilities available for free and making dorms available at a much reduced rate, in order to help the state keep the cost down. This will be held in the Wood Center with breakout sessions in the Gruening Bldg. Chancellor Rogers feels it is important that we are part of this discussion.

- For the citizens of Alaska, the first question is, what do you want in terms of services? This really needs a public discussion. The second question is how are we going to pay for it? For this, given our current revenues, we only have four choices, further budget cuts; institute a broad-based tax, such as an income tax; use some permanent fund income; or make adjustments to revenue from the petroleum industry—either production or some adjustments either to production and an increased price, or some adjustments on the tax side. This is only the Chancellor’s opinion. Chancellor Rogers does not see any way of getting to a balance that the public will accept without doing all four of these.

- Chancellor’s Cabinet will be looking at Staff Council’s proposal and resolution for a Staff Volunteer Day. They have been so swamped by budget work that they have not had time to address this proposal. He appreciates the work that went into it.

- The state will be laying everyone off and it will be recalling some. The curtailment of state operations will impact us in terms of road maintenance around the campus and their ability to process any state forms.

- Chancellor Rogers then opened the floor for questions.

- If it were to occur, an actual shutdown at the university would come after the summer session, since we know we have enough funds to make it through that time. A university shutdown could have drastic impacts. The state shutdown would affect the ability to process any state paperwork, so anyone who was retiring in July or August could have retirement paperwork held up. A state shutdown would essentially mean that anything the university does that involves interaction with state agencies could be interrupted.

- In terms of state-funded grants and contracts, if a state-funded grant has already been issued then we can proceed since the funds have already been appropriated. We might not have anybody there to transmit funds to us but that’s a cash flow issue for us and would likely not materialize for several months. Any sort of service contracts, including reimbursable service agreements (RSA), would likely be put on hold.

- The state is now scrambling, for the same reason we have not put huge amounts of effort into this; no one can quite believe they are willing to play that level of brinksmanship to allow a shutdown.

- Other impacts that could occur with a state shutdown include impacts to anyone who is working for us under ORP, but is a state retiree from earlier PERS service. They could see retirement impacts, for things such as retirement health care. The state virology lab on campus will shut down, as will any other state functions on campus.

- In terms of a possible state shutdown and the implications for student loans and financial aid associated with the Alaska Commission on Post-Secondary Education, our job will be to figure out how to minimize
impacts on students.

- If there is a shutdown at the state level, this would occur July 1. If it reaches this point, we will have to make a decision about whether we have sufficient funds to make it through the fall semester. We will have to make a decision by about July 1, as to whether we will be open this fall or not. Chancellor Rogers feels that a state shutdown on July 1 is highly unlikely; he is not really concerned about this at all. It is unthinkable that the legislature would allow it to proceed to that level.

- Question: In terms of FY16 pay raises, given that many people have been operating under the assumption that we will likely see a 0% increase in pay for FY16, does the possibility exist that staff will receive additional personal holiday day(s) as seen in past years when pay raises were not feasible?
  - Answer: Since we will see greater than a 10% reduction in our general fund and additional fixed cost work, if anything additional were to be funded, it would have to be through further layoffs. There will be some staff reductions in order to get to the level we are already at, anything further would require more layoffs. Therefore, additional personal days are unlikely.

- One idea that has been brought forward, a couple of times, would be to give everyone an hourly or biweekly raise and then furlough to equal it, so that it brings everyone up in terms of their hourly pay. This would not be an annual net pay raise. Then when our budget comes back, people are full time at a higher pay level. Theoretically, every 1% increase would require a 20 hour furlough and so essentially this approach is cost neutral to the university but raises people’s hourly pay or their biweekly pay to a new level. The only advantage to that is really a future advantage that moves people up the pay scale when we do recover from the current budget situation.

- Question: In terms of potential pay freezes, which have not come through yet, would that affect positions covered by general funds or those funded by auxiliaries?
  - Answer: Potential pay freezes would cover all employees, regardless of funding source.

- Finally, Chancellor Rogers noted that as this situation moves forward, the President, Chancellors, and executive staff are very conscious of the impacts on people of this uncertainty and things that might occur that are outside our control. They have tried to brainstorm for things we can do that minimize impacts or maximize certainty. We are not doing very well on the on the latter, but we know there are some things we can do that would help. For example if we had a an extended furlough, allowing people to cash in annual leave at a higher rate than we’ve done in the past might be the kind of thing that helps cover people financially. We know there are a number of employees for who are close to paycheck to paycheck or don’t have huge amounts of savings. We will continue to be cognizant of challenges that may be imposed on us by the state’s inability to come to an agreement, if it comes to that. Again, Chancellor Rogers is hopeful that we will not come to that point.

IV. PUBLIC COMMENT (none)

V. OFFICERS REPORTS

A. Faye Gallant, President

- The majority of Faye’s remarks were presented during ‘Pending Actions,’ earlier in the meeting.

- Staff Alliance will meet this coming week. Faye will be out of town, but Chris Bekes and Nate will attend.

- Many things that we would usually be working on, such as the work of the Planning and Budget Committee, are on hold while we wait on the budget. The Planning and Budget Committee would normally be working on ideas for requesting funds for new things. With the current state budget situation, this work was not necessary, since we are expecting next year’s budget to be a cut as well.

- The Planning and Budget Committee has not been in operation most of this year for a couple of reasons. A lot of the Planning and Budget Committee normally involves choosing things to invest in for the following
year and identifying what particular programmatic or project funding we will request. We will probably not be asking for much of anything this year. We will be trying to minimize cuts we might take.
- We are expecting next year's budget to be a cut as well, so a lot of the things are in limbo while we wait to see if the House and Senate can compromise and move something forward.
- The same is true for compensation. Normally, we would be putting forward what we believe would be fair compensation increases for the following year. We wanted to wait and see what happened with compensation this year, but this remains unclear. We hope to clarify things over the summer.
- Staff Council will not meet in July.

B. Nate Bauer, Vice President
- Chancellor Rogers presented the idea that in anticipation of the committee being formed to select a new and interim chancellor, Staff Council could identify someone from our ranks as a potential committee member. This could occur over the summer, therefore, if anyone is interested in serving in this capacity, contact Faye or Nate as soon as possible.

VI. UNFINISHED BUSINESS

A. Budget Update
- The Alaska State House passed what they believe to be a compromise budget on Friday night. It then went to the Senate. The Senate rejected it and came back with a different budget that basically undid all compromises from the House version. There will be additional negotiations between the House and the Senate on the budget. The big issue really comes down to less than 1% of the budget. There are things the Democrats want included, which include mostly funding for education and pay increases for state employees (at least those already negotiated union raises). The funding for raises would be balanced out by a cut. This means pay raises would go through, but we would still have to cover the cost in the end. The Senate does not want to include either of these.
- As previously noted, it is now looking like a four party negotiation. The Senate has enough of a majority to act with the Senate Republicans alone. The Senate Democrats are really out of the negotiation because there are not enough of them to alter things. Then there are the House Democrats the House Republicans.
- Following any negotiations, all of this will have to be approved by the Governor. At this point, it appears as though Governor Walker will sign the budget as long as it is fully funded.
- The Senate and the House will hopefully work something out in conference committee. It sometimes appears as though we are at the same place we were 40 days ago at the start of the special session.
- Best case scenario, it appears we would still be taking at least a 10% cut to the UA general fund budget, which is around 20 million. This would be equivalent to about 200 positions, but this would be across the university. Hopefully we can get this in a way other than entirely through positions, but most of our budget is in people.
- As of today, June 1, layoff notices are being sent out to state employees. These layoff notices will have a real impact even before people stop working on July 1. This will have an impact on private business as well, since people who have been laid off, or are facing furloughs, will be putting less money back into the local economy.
- UA is different from the state in that we have a 30 day layoff notice for nonexempt employees. We have a 60 day furlough notice period for all employees and a 90 day layoff notice for exempt employees.
- During PreStaff, Chancellor Rogers explained that because of the longer layoff notice for exempt employees, and since they are generally higher paid, it makes more sense to go the furlough route rather than layoff people on the different time scales. For our situation, a furlough makes more sense financially and it is better for employees because they would not be laid off. Again, that is if there were to be a furlough notice, we might expect it to come sometime this month with the idea that it would be starting at the end of the summer. We do have enough money in the budget that was passed to operate through the end of August. The
timelines are frustrating in terms of uncertainty because obviously many of us really would need to know whether or not we’re going be paid this fall and how long it would be.

- Since we have a longer notice period than state employees, there will be more time for the legislature to fix things before we actually see an impact. If a furlough notice were to go out and they then fixed things, the furlough would, likely, get pulled back before it actually happened. It is hopeful that now that the layoff notices are going to state employees there’s an incentive to finish funding the state budget before state employees actually go off payroll. The other impacts of that are just as severe.

- We are now at the point where we have both House and Senate budgets, so there is a starting point for negotiations. It is uncertain if we will have a budget in the near future, or if we are facing a longer time of uncertainty. The uncertainty is the really frustrating part since it makes it difficult to even plan. We really do not want to lose good people to that uncertainty. This lengthy process is certainly doing more damage than is immediately visible. As Chancellor Rogers said, it is pretty unthinkable that they would let it get to the point of a shutdown. There is plenty of room for hope but certainly there are plenty reasons for frustration with the lack of a funded state budget for FY16.

- Voting closed on Friday for the e-resolution, voted on by Staff Council, requesting the Alaska State Legislature to fully fund the FY16 state budget. Faye believes the motion was approved, but she didn’t have the final vote tally. This will be finalized soon and the resolution will be forwarded to Chris Christensen, Associate Vice President for State Relations.

VII. ROUND TABLE DISCUSSION

VIII. ADJOURN

- The meeting was adjourned by President Faye Gallant at approximately 10:00 AM.