



Dr. Nettie La Belle-Hamer  
Interim Vice Chancellor for Research  
907-474-6000  
907-474-5993 fax  
nettie.labellehamer@alaska.edu  
research.uaf.edu

## Office of the Vice Chancellor for Research

P.O. Box 757270, Fairbanks, Alaska 99775-7270

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To: UAF OGCA, UAF OPD, UAF Research Planning Group  
From: Dr. Nettie La Belle-Hamer, UAF Interim VCR

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*Nettie La Belle-Hamer*  
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### RE: Questions regarding escalations in the out years for restricted-fund proposals

**1. Is keeping the market increase mandatory for restricted-fund proposals?**

The market increase will not be mandatory since some funding opportunity announcements have a budget cap and keeping the market increases may mean that other areas of the budget have to be decreased. Some PI's try to reduce costs to increase the appeal of their proposal. Keeping in mind that the project will be charged actual salary at the time of effort for most grants and contracts, the PI can make an informed choice.

**2. What would the language look like for the budget justification for the possibility of a market increase in two years?**

We will continue to use the language that has been used since we began including market increases in proposal budgets:

*Salaries include additional adjustments as part of the University of Alaska market compensation project, as well as an annual inflation increase of 2.5% for faculty, professionals, and staff, and 1.9% for crafts and trade employees. Should these increases not occur as planned, the project will be charged actual salary at the time of effort.*

**3. Will this be consistent across all UA?**

I hope it will eventually. This is a decision I am making for UAF as the Vice Chancellor for Research. While I agree that we should work to be as consistent and will work with the other campuses towards that end, I will not hold up a decision for UAF to wait for alignment. UAF is the Research University in the system and needs to move forward with high-quality proposals. In the meantime, I have weekly research alignment meetings with UAA and UAS leadership and will discuss it with them.

**4. Would you consider applying the market increases on proposal budgets to FY22 and FY23, instead of FY23 and FY24?**

Yes, standard practice will be to apply the remaining installments of market increases in FY22 and FY23. In conversation with the UA CHRO Patin, he and I agreed that this is an

option open to the PI if in their judgement it is better for their proposal. Ultimately, applying the market increases will be the decision of the PI and will be supported by the VCR's Office. FY21 will have no market increases as that decision has already been made, but FY22 and FY23 have a documented commitment.

**5. If backup for the market increase in two years is requested what documentation would UAF be able to provide them?**

There are two pieces to the justification: 1) UA News Center announcement documenting the three-year process to bring salaries into alignment with market value, and 2) letter from the UA CHRO documenting the delay of the second phase. Both of these pieces are combined in a single file: *Documentation – Market Increases FY20 – FY23.pdf*

**6. We'd like to obtain clarification regarding inclusion of the 2.5% yearly increase on proposal budgets.**

It is standard for the University to use a 2.5% rate increase for employees unless a sponsor provides an alternate rate within a policy statement, program announcement or other guidelines for the program. Employees in this context refers to all employees, including staff, faculty, and students, with the exception for the crafts and trades employees for whom we will use 1.9%.

**7. What about other standard escalations – are there any changes?**

The standard yearly increase for travel transportation is currently 10%. PIs can reduce that to 5%, but can elect to reduce this further if needed. It has been my experience that this is too high as airline fares are very difficult to predict.

The standard yearly increase for graduate student tuition and fees is currently 10%. The BOR just approved a 5% increase for the fall, and I don't think I have ever seen an increase higher than that. PIs can reduce this increase to 5% if they want to be consistent with the recent reductions.