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Date: 27 August 2014

To: Pat Jacobson
Chair UA Board of Regents

From: Abel Bult-Ito, Ph.D.
President United Academics AAUP/AFT Local 4996

Re: President Pat Gamble's \$320,000 Retention Bonus

Dear BOR Chair Jacobson,

Thank you for your timely response dated 15 August 2014 to our request for information regarding UA President Pat Gamble's \$320,000 retention bonus.

This response is on behalf of the 950 faculty members at the University of Alaska who are represented by United Academics. Below, I will address some of the assertions in your memo and follow it with an assessment of the president's performance using publically available information.

Assertions in your letter:

You write, "The Board placed on the advance agenda and formally approved the renewal of the president's contract and retention incentive at the June 2014 meeting of the board."

However, the June BOR agenda only refers to president Gamble's salary: "XXVII. Approval of Presidential Contract; MOTION; "The Board of Regents approves an extension of Patrick K. Gamble's contract of employment as president of the University of Alaska System at an annual salary of \$320,000 per year, retroactive to June 1, 2013, and continuing through May 31, 2016, with terms as authorized by the board. This motion is effective June 6, 2014"."

This motion does not mention a retention bonus, nor the amount of such a bonus. As this retention bonus constitutes a major expense to the university, the BOR is expected to approve it in a public vote, giving citizens of the State of Alaska the opportunity to speak in favor or opposition to the motion and also providing transparency as to which BOR members supported or opposed this motion. The BOR could not have approved the retention bonus during its June meeting as it was not part of the posted and approved agenda.

Therefore, if the BOR wishes to "stand by [its] decision to offer the performance-based retention incentive in lieu of a market adjustment", it will have to approve such a bonus at the 18-19 September BOR meeting in Juneau. This will also allow the public to comment on the \$320,000 retention bonus before it is enacted.

You state that President Gamble's salary is "already 25-28 percent under market for system presidents at comparable universities." I would like to point out that over one third of United Academics faculty members are under market as well, but the vast majority of them did not receive an "incentive ... to stay on board," although most of them exceed their expectations of job performance and all of them contribute directly to the mission of the university.

Your description of the BOR assessment of President Gamble's performance:

1. You state, "President Gamble is an exceptional administrator, communicator and most significantly, leader." I respectfully disagree with this assessment. My analysis of publicly available information reveals that President Gamble is not exceptional in any of these categories (see below). As an administrator, President Gamble has overseen budget cuts at the academic units for his entire four-year tenure, which resulted in large cuts in FY15, while maintaining the disproportionately large size of the statewide administration, which does not directly contribute to the teaching, research, and service mission of the university.

Whatever you may think of President Gamble's communication skills, he has in fact failed to communicate the University's needs to the Legislature. For example, at the Legislature this spring when asked by a House University of Alaska Finance Subcommittee member about the impact of a proposed \$14.9 million general fund cut for FY15 President Gamble responded that the university could absorb such a cut. However, the reality is that these cuts are resulting in large layoffs, reduction in services to students, and diminishment of the mission of the university. President Gamble repeated this response in the Senate Finance Committee. I would characterize such a response as not representing the best interest of the university, and bordering on negligence.

As a leader, President Gamble has limited his participation to the statewide administration and has shown little to no interest in learning about what it takes to successfully accomplish the teaching, research, and service mission of the university.

As an example of the lack of effective leadership by President Gamble, consider his unilateral action in April, 2012, sending down a proposed "code of conduct" for UA employees to be embedded in University regulation, even though similar language already exists in regents' policy. Not only did faculty and staff receive this poorly, but also writers in all three of Alaska's major newspapers found much fault with both the content of the code and the President's heavy-handed approach.

You also state, "Under his leadership the three universities and their associated community campuses look for opportunities to collaborate to achieve academic synergies and administrative efficiencies to better serve students." As the president of the University of Alaska, this is a normal expectation of performance, not meriting any special recognition.

2. You state, "President Gamble is a student of academe. He understands and anticipates national and state trends and has learned the details of university operations and educational processes in the State of Alaska. He has worked with governance and the board to make real progress on longstanding academic issues that will facilitate student access and success." As the president of the University of Alaska, this is a normal expectation of performance, not

meriting any special recognition. Indeed, in the eyes of the faculty, he has shown little to no interest in learning about what it takes to accomplish the academic mission of the university, which is particularly disappointing as he has no background or prior experience in the academy.

3. You state, “In his second year at the helm, President Gamble initiated the strategic planning process now known as Shaping Alaska's Future. That has helped the board and university communities and constituencies identify the major "Issues" that UA must address and the "Effects" that UA must accomplish to respond to the significant budgetary and performance challenges we currently face. As you know, the Board incorporated those Issues and Effects into Board Policy at its June meeting.”

It remains to be determined whether the Strategic Directions Initiative (SDI) process will have a positive impact on the university. What is clear, though, is that this process cost hundreds of thousands of dollars and resulted in at least one additional six-figure administrative positions in the statewide administration: Associate Vice President for Academic Affairs.

The document “Shaping Alaska’s Future” is based on inputs from Listening Sessions started by President Gamble in 2011. These Listening Sessions were so flawed methodologically that the UAA Senate passed the following resolution in their meeting on 4 May 2012:

The UAA Faculty Senate believes that the Listening Sessions process is a positive step towards ongoing dialogue with the community about the University of Alaska system. However, the Senate resolves that these Listening Sessions as conducted and analyzed suffer from major methodological issues, which compromise the scientific validity of the conclusions. The major methodological issues are: non-representative samples of participant groups, the inducement of responses by the facilitator, and the failure to apply standard qualitative analysis procedures that ensure reliable and unbiased identification of narrative themes. As such, the Senate recommends that no major actionable plan be formulated based on the outcome of these Listening Sessions.

Furthermore, most of the issues and effects considered products of the SDI process had already been worked on at the university for years. This very expensive process revealed little new information or strategic insight. Although the SDI process resulted in an appealing new slogan and produced a glossy brochure at considerable expense, the question remains whether this justified the expense and effort or whether it was simply a device to justify the existence of the statewide administration to the BOR.

4. You state, “President Gamble also has maintained good working relationships and open communication with the legislature and governor. Even in this year of significant state-wide budget cuts, UA received significant capital funding for UAF’s combined heat and power plant, final funding for the UAA Engineering Building, and received legislative approval for the creation of the UA building fund.” As the president of the University of Alaska, this is a normal expectation of performance, not meriting any special recognition. In fact, the university’s current “good working relationships and open communication with the legislature and governor” are also the result of much effort by employees of the university,

including United Academics members, staff, and students. Furthermore, your list does not include President Gamble's failures. These include the operating budget cuts through FY14 and the large cuts in FY15. In addition, the president was unable to obtain the funding to finish the UAF engineering building.

Just to put the FY15 operating budget cuts in perspective, I am attaching the memo of CNSM Dean Paul Layer regarding the FY15 budget cuts for just one college at UAF. The cuts in CNSM include reductions in staff and resources for the Alaska Summer Research Academy (ASRA) and the Alaska Native Science and Engineering Program (ANSEP), reduction in the number of mathematics sections offered to students, and not filling vacant positions, also resulting in loss of services to students. The cuts in ASRA and ANSEP funding directly and negatively impact Alaska Native and rural students, which is in direct conflict with the mission of the university "...emphasizing the North and its diverse peoples."

The actions of the BOR, awarding this bonus to President Gamble and failing to offer reasonable justifications for it, suggest that it is out of touch with the realities faced by many UA students and with the academic mission of the university. I would like to summarize the reasons for this assertion (in no particular order):

1. The BOR is more concerned about capital projects than in investing in the employees that provide the services to the students. Your reference to capital projects, while ignoring the large cuts in the FY15 operating budget, makes this clear.
2. At the FY16 budget meeting in Fairbanks on 7 August 2014, one of the BOR members did not understand that laying off 50 employees at UAF (about 20 faculty and 30 staff, according to the Provost Susan Henrichs) would result in a cut of services to the students.
3. The BOR is rewarding a president who has overseen a decline in total credit hour production of 2.4% in fall 2012 and 2.6% in fall 2013, and 2.8% in spring 2013 and 3.4% in spring 2014. This decline in enrollment appears to be continuing for fall 2014.
4. The BOR is rewarding a president who shifted \$7 million in health care costs per year to the employees, while not reducing the overall university budget proportionally. Instead, these funds are now being used to cover budget shortfalls and to maintain the disproportionately large size of the statewide administration, basically on the backs of academic staff and faculty.
5. The BOR is rewarding a president who was unable to obtain the operating funds from the legislature necessary to run the university in FY15, resulting in large layoffs of faculty and staff at the academic units (50 employees at UAF alone) and consequent reductions in services to students.
6. The BOR is rewarding a president who has shown little to no interest in learning about the academic programs at the University of Alaska. He has not taken any significant time in four years to talk with employees in academic programs, departments, and colleges to find out what it really takes to be successful teaching in the classroom and online, doing research, engaging in creative activities, and providing services to the community.
7. The BOR is rewarding a president who is maintaining a statewide administration of 242 employees, as of 7 August 2014, that will cost over \$70,000,000 in FY16, without providing any direct services to the teaching, research, and service mission of the university. At the 7 August 2014 FY16 budget meeting, President Gamble said that the statewide administration would not see any personnel cuts in FY15 and FY16, while we see large personnel reductions

within academic units in FY15 alone. Apparently, maintaining the disproportionately large size and budget of the statewide administration, which does not have any major revenue sources of its own (comments by UA Vice President of Finance Ashok Roy), is more important than supporting the academic mission of the university.

8. The BOR is rewarding a president who in his four-year tenure at the university has raised no significant funds from major corporations or foundations, such as from oil companies active in the State of Alaska, to support the academic mission of the university. Instead, President Gamble took credit for a NSF research infrastructure grant with which he had little to no involvement. When asked in February 2014 by a House University of Alaska Finance Subcommittee member what funds he has brought to the university his answer was EPSCoR. However, the EPSCoR grant is a faculty driven grant whose funding depends on the research competitiveness of the faculty members involved, most of whom are United Academics members.
9. The BOR actions may have serious consequences for the ability of the university to raise funds from donors. In a recent conversation that I had with a major donor, their distaste with the BOR's decision to grant a bonus to President Gamble was made very apparent. More importantly, the donor was critically questioning their incentive for giving to the University. To paraphrase the donor, "Even if I give \$50,000 to the University, six other donors would have to step forward with similar donations just to make up for this unwarranted bonus that the BOR is planning to give President Gamble".

United Academics members are appalled by the actions of the BOR, which we believe to be unwarranted. United Academics will continue to object to the BOR's reckless actions and will continue to seek the BOR's reversal of the retention bonus.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Abel Bult-Ito', with a horizontal line underneath.

Abel Bult-Ito, Ph.D.
President
United Academics AAUP/AFT Local 4996

Cc: United Academics membership

July 28, 2014

Dear CNSM Faculty and Staff,

You have no doubt read about the major funding reductions in state support to UAF for FY15, and CNSM is not immune to these budget cuts. I want to share the impacts that the FY14 budget deficit, our share of the FY15 budget shortfall (and the associated across-the-board cut) and an expected flat tuition revenue will have on CNSM. As a result of all this, the college is facing the next academic year with nearly a \$400,000 budget reduction. Provost Henrichs has requested that CNSM provide details on how we will meet this challenge, and I want to share elements of the plan with you.

During my time as dean, CNSM has been asked every year to reduce its general fund budget by 1% to 4%. At the same time, the college receives funds for specific designated programs and positions. We have met these challenges in the past through salary savings from faculty retirements, by hiring at the assistant professor level, increased enrollment and tuition revenue, ICR revenue and a general vacancy rate of positions not yet filled. Having done that in the past, we have exhausted these “easy fixes,” and this year we are facing deeper cuts than normal.

Maintaining our core academic mission is central to moving forward, and we will continue to offer all of our academic programs while meeting our teaching and service obligations. In meeting the requested reduction, there are several hard measures that we have taken or will need to take:

- 1) Certain vacant faculty positions will remain unfilled, and I am working with department chairs and the institute directors to coordinate and prioritize future hires. We will also reduce the number of sections of certain mathematics courses to reduce the number of adjuncts we hire.
- 2) We have lost one FTE in the dean's office/department staff, primarily through retirements or resignations. Other staff positions have been affected as well and staff members have been reassigned where possible.
- 3) General Fund support of ASRA will be reduced, and this impacts two staff positions (about 1.5 FTE). Future ASRA summer programs will need to operate with reduced dependence on Fund 1 support.
- 4) Support for the Alaska Quaternary Center director will be cut. CNSM direct funding for ANSEP student support will be reduced. We have discontinued the lease on ATCOs behind the Reichardt building, accommodating the occupants in other spaces.

5) Proposal activities for CNSM's Division of Research (CDR) will be managed by the newly created Office of Proposal Development (OPD) in the GI. We anticipate that this "shared services model" will help with our success in securing external grants as we will no longer be dependent on a single person for proposal coordination. CDR will still manage the post-award activities.

Visit www.uaf.edu/finserv/omb/budget-planning/ for more information on the UAF budget in general.

We anticipate more budget challenges next year. As primarily an academic program, these budget challenges will mean either a reduction in expenditures or an increase in revenue. Our college's revenue comes from tuition and having students in our programs. Our expenditures are primarily in salary lines and how we use faculty time. The reductions and realignments that we did this year were intended to minimize the impact on faculty workloads, to improve services to our current students and to improve student preparation and recruiting into all of our academic programs. Student credit hour production across UAF, however, is down 6.8% from last year. While CNSM is "only" down 1.5%, this will result in a decrease in revenue. This fall I will work with department chairs, staff, and interested faculty to look at our budget situation and see how we can meet this continued challenge together for various funding levels.

While it is easy to dwell on a darkening fiscal climate, we have a lot going for us at CNSM. We have made some exciting faculty hires in the last year, and we have seen a marked increase in proposal activity and awards through CDR, which I expect will generate additional revenue for the college and investigators. We have graduated a record number of undergraduates and graduate students. With a variety of funding sources, we are also continuing to offer some very exciting outreach programs such as ASRA, GeoFORCE Alaska, Girls on Ice, Colors of Nature and more that have engaged the broader community.

I thank our dedicated faculty, staff, and high-quality students for their efforts over the past year to make CNSM a great college in teaching, research and service. I look forward to working with all of you in developing a plan for success in the upcoming years. Please don't hesitate to contact me should you have questions or concerns.

Sincerely,
Paul W. Layer, Dean



Paul W. Layer, Dean
pwlayer@alaska.edu

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August 15, 2014

Dear Dr. Bult-Ito,

I am writing in response to your request for information regarding the president's renewed contract of employment. My apologies for the delay in responding, but this has been a busy time for me.

The context is that the president's initial contract expired last May. His annual salary of \$320,000 has not increased since 2011. This new contract maintains that same salary for another two years, despite the fact that it is already 25-28 percent under market for system presidents at comparable universities. Given that the board believes the president's leadership has been exceptional, you might ask why not just increase his annual salary.

The reality is that increasing the president's salary would not have provided a direct incentive for the president to stay on the job through the end of the contract period. That was critical to the board. Pat Gamble is an accomplished, nationally known and exceptional leader, who could readily take his skills elsewhere or simply decide to retire. The retention incentive approach addresses market issues while creating a powerful incentive for President Gamble to stay on board.

Unlike raises or most incentives, this one is not guaranteed. If the president voluntarily departs the university before the end of his contract term, he does not receive the incentive. The president also remains an at-will employee, so the board may terminate his employment for no reason or any reason at any time. If the Board terminates the president's contract at-will, the incentive amount would be reduced proportionately.

The president is the executive officer of the Board of Regents and is responsible for administration and leadership of a state-wide system of higher education consisting of three separately accredited universities, a dozen community campuses and a budget in excess of \$900M. Specific responsibilities are set out in the AK Constitution (Art. 7, § 3), state statute (e.g., AS 14.40.210 - .220), and Regents' Policy (e.g., chapter 02.01, in particular 02.01.010).

The board has evaluated President Gamble annually. To say that the Board has been extremely pleased with his performance would be an understatement. Please consider the paragraphs that follow a summary of the board's analysis of his performance. From the board's perspective:

- President Gamble is an exceptional administrator, communicator and most significantly, leader. Under his leadership the three universities and their associated community campuses look for opportunities to collaborate to achieve academic synergies and administrative efficiencies to better serve students.
- President Gamble is a student of academe. He understands and anticipates national and state trends and has learned the details of university operations and educational processes in the State of Alaska. He has worked with governance and the board to make real progress on longstanding academic issues that will facilitate student access and success.
- In his second year at the helm, President Gamble initiated the strategic planning process now known as Shaping Alaska's Future. That has helped the board and university communities and constituencies identify the major "Issues" that UA must address and the "Effects" that UA must accomplish to respond to the significant budgetary and performance challenges we currently face. As you know, the Board incorporated those Issue and Effects into Board Policy at its June meeting.
- President Gamble also has maintained good working relationships and open communication with the legislature and governor. Even in this year of significant budget cutting state-wide, UA received significant capital funding for UAF's combined heat and power plant, final funding for the UAA Engineering Building, and received legislative approval for the creation of the UA building fund.

We now need consistent, strong leadership in place to ensure Shaping Alaska's Future continues to move forward. Some of these important issues include improved retention and graduation rates, a student-centered culture at every level, including comprehensive advising, graduates that reflect the diversity of Alaska, as well as other issues. The board has already seen results from this process and believes this president, at this time, is the effective, results-oriented leader we need. Frankly, we can't afford to lose him.

Quite simply, the Board of Regents believes it is in the best interests of Alaska's university system to retain President Gamble's leadership through this period of challenge and change. It is also important to the State of Alaska that we be able to offer the system president a salary that can compete with the national market now and with future presidents. Leading the UA System is a complex endeavor, and attracting and retaining top-caliber talent is important. With the current salary so under market, and given the board's desire to retain our current president, a performance-based retention incentive strikes a reasonable balance while addressing our broader concerns.

Dr. Bult-Ito
Re: President Gamble's Contract
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August 15, 2014

The Board placed on the advance agenda and formally approved the renewal of the president's contract and retention incentive at the June 2014 meeting of the board (see <http://www.alaska.edu/opa/enews/2014/66/>). The incentive amount, one year's salary, was determined by the board acting as a committee of the whole. The Fairbanks Daily News Miner did a story about the contract prior to the meeting.

I trust this communication answers your questions. We understand some people will disagree with our approach. We cannot always agree on every issue. Ultimately, however, I believe the board's decision was in the best interests of the University and the state, and we stand by our decision to offer the performance-based retention incentive in lieu of a market adjustment.

Thank you for your teaching, research and public service for the benefit of our students and all of Alaska.

Sincerely,

A handwritten signature in black ink that reads "Patricia A. Jacobson". The signature is written in a cursive style with a large initial "P".

Pat Jacobson
Board Chair